

AN ACT

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; creating criminal offenses.

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

SECTION 1. Section 411.093(a), Government Code, is amended to read as follows:

(a) The Texas Department of Licensing and Regulation is entitled to obtain criminal history record information as provided by Subsection (b) that relates to:

(1) an applicant for or the holder of:

(A) a driver education instructor license under Chapter 1001, Education Code;

(B) a license under Chapter 466;

(C) a license under Chapter 202, Occupations Code;

(D) ~~[(C)]~~ a license under Chapter 401, Occupations Code;

(E) ~~[(D)]~~ a license under Chapter 402, Occupations Code; ~~[or]~~

(F) a license under Chapter 2001, Occupations Code; or

1 (G) [~~(F)~~] an instructor license or motorcycle
2 school license under Chapter 662, Transportation Code;

3 (2) a person who is:

4 (A) an applicant for or the holder of a license
5 under Chapter 91, Labor Code; or

6 (B) a controlling person, as defined by Chapter
7 91, Labor Code, of an entity described by Paragraph (A); or

8 (3) a person who:

9 (A) is an applicant for or the holder of a license
10 under Chapter 455, Occupations Code; or

11 (B) has an interest described under Section
12 455.1525(e), Occupations Code, in an entity described by Paragraph
13 (A).

14 SECTION 2. Section 411.467(d), Government Code, is amended
15 to read as follows:

16 (d) The department shall also send the alert to:

17 (1) any appropriate law enforcement agency;

18 (2) the Texas Department of Transportation;

19 (3) the Texas Department of Licensing and Regulation
20 [~~Lottery Commission~~]; and

21 (4) the Independent Bankers Association of Texas.

22 SECTION 3. Sections 466.002(1), (3), and (4), Government
23 Code, are amended to read as follows:

24 (1) "Commission" means the Texas [~~Lottery~~] Commission
25 of Licensing and Regulation.

26 (3) "Department" or "division [~~Division~~]" means the
27 Texas Department of Licensing and Regulation [~~lottery division~~

~~established by the commission under Chapter 467].~~

(4) "Director" or "executive ~~[Executive]~~ director" means the executive director of the department ~~[commission]~~.

SECTION 4. Subchapter A, Chapter 466, Government Code, is amended by adding Section 466.005 to read as follows:

Sec. 466.005. LIMITED-SCOPE SUNSET REVIEW OF STATE LOTTERY PROGRAM. (a) The Sunset Advisory Commission shall conduct a limited-scope review of the state lottery program during the state fiscal biennium ending August 31, 2029, in the manner provided by Chapter 325 (Texas Sunset Act).

(b) In conducting the limited-scope review under this section, the Sunset Advisory Commission's staff evaluation and report must be limited to:

(1) assessing whether the department has sufficient tools, programs, and procedures to ensure the integrity of the state lottery program;

(2) the transfer of the state lottery program to the department;

(3) the extent to which the department is implementing and enforcing statutory changes enacted by the 89th and 90th Legislatures; and

(4) whether the department remains the appropriate agency to administer the state lottery program.

(c) Unless continued in existence, the state lottery is abolished and this chapter expires September 1, 2029.

SECTION 5. The heading to Section 466.014, Government Code, is amended to read as follows:

1 Sec. 466.014. POWERS AND DUTIES OF DEPARTMENT [~~COMMISSION~~]
2 AND EXECUTIVE DIRECTOR.

3 SECTION 6. Sections 466.014(a) and (d), Government Code,
4 are amended to read as follows:

5 (a) The department [~~commission~~] and executive director have
6 broad authority and shall exercise strict control and close
7 supervision over all lottery games conducted in this state to
8 promote and ensure integrity, security, honesty, and fairness in
9 the operation and administration of the lottery.

10 (d) A contract between the department [~~division~~] and a
11 lottery operator under Subsection (b) must contain a provision
12 allowing the contract to be terminated without penalty if the
13 department [~~division~~] is abolished.

14 SECTION 7. Section 466.015, Government Code, is amended by
15 amending Subsection (b) and adding Subsection (d) to read as
16 follows:

17 (b) The commission shall adopt rules to the extent they are
18 not inconsistent with Chapters 551 and 552 governing the:

19 (1) security for the lottery and the commission,
20 including the development of an internal security plan;

21 (2) apportionment of the total revenues from the sale
22 of tickets and from all other sources in the amounts provided by
23 this chapter;

24 (3) enforcement of prohibitions on the sale of tickets
25 to or by an individual younger than 18 years of age; and

26 (4) enforcement of prohibitions on a person playing or
27 facilitating the play of a lottery game by telephone or through an

1 Internet application or mobile Internet application in violation of
2 Section 466.318.

3 (d) The commission may not adopt a rule under this section
4 that is inconsistent with any provision of state law.

5 SECTION 8. Subchapter B, Chapter 466, Government Code, is
6 amended by adding Section 466.0171 to read as follows:

7 Sec. 466.0171. ANNUAL AUDIT. (a) The state auditor shall
8 annually conduct a comprehensive audit of the department's state
9 lottery program, including any department action taken relating to
10 the program.

11 (b) Each audit required by Subsection (a) must specifically
12 identify any lottery program action or activity that varies from a
13 lottery program action or activity identified in a preceding audit
14 conducted by the state auditor.

15 SECTION 9. Section 466.018, Government Code, is amended to
16 read as follows:

17 Sec. 466.018. INVESTIGATIONS. The attorney general, the
18 district attorney for Travis County, or the district attorney,
19 criminal district attorney, or county attorney performing the
20 duties of district attorney for the county in which the violation or
21 alleged violation occurred may investigate a violation or alleged
22 violation of this chapter and of the penal laws of this state by the
23 department [~~commission~~] or its employees, a sales agent, a lottery
24 vendor, or a lottery operator.

25 SECTION 10. Section 466.019, Government Code, is amended to
26 read as follows:

27 Sec. 466.019. ENFORCEMENT. (a) The executive director or

designated personnel of the department ~~[commission]~~ may investigate violations of this chapter and violations of the rules adopted under this chapter. After conducting investigations, the executive director, a person designated by the department ~~[commission]~~, or any law enforcement agency may file a complaint with the district attorney of Travis County or with the district attorney of the county in which a violation is alleged to have occurred.

(b) The executive director has the administrative, enforcement, and collection powers provided by Subtitle B, Title 2, Tax Code, in regard to the lottery. For purposes of the application of Title 2 of the Tax Code:

(1) the state's share of proceeds from the sale of lottery tickets is treated as if it were a tax; and

(2) a power granted to the comptroller may be exercised by the department ~~[commission]~~.

SECTION 11. Sections [466.020](#)(a), (c), and (d), Government Code, are amended to read as follows:

(a) The executive director shall maintain an office ~~[a department]~~ of security within the department ~~[in the commission]~~. The office of security shall assist the executive director in addressing any security-related matter arising under this chapter or Chapter [2001](#), Occupations Code. The office may coordinate as necessary with the financial crimes intelligence center established under Chapter [2312](#), Occupations Code, for assistance with investigations, to receive guidance on security-related matters, and to provide information relevant to the office's

operations ~~[The executive director shall appoint a deputy to administer the department. The deputy must be qualified by training and experience in law enforcement or security to supervise, direct, and administer the activities of the department].~~

(c) A security officer or investigator employed by the office ~~[department]~~ of security or a peace officer who is working in conjunction with the department ~~[commission]~~ or the Department of Public Safety in the enforcement of this chapter, without a search warrant, may search and seize a lottery vending machine, lottery computer terminal, or other lottery equipment that is located on premises for which a person holds a sales agent license issued under this chapter.

(d) The Department of Public Safety, at the department's ~~[commission's]~~ request, shall perform a full criminal background investigation of a prospective ~~[deputy or]~~ investigator of the office ~~[department]~~ of security. The department ~~[commission]~~ shall reimburse the Department of Public Safety for the actual costs of an investigation.

SECTION 12. Section [466.022](#), Government Code, is amended to read as follows:

Sec. 466.022. CONFIDENTIAL INFORMATION. (a) Except as otherwise provided by law, all department ~~[commission]~~ records are subject to public inspection in accordance with Chapter [552](#).

(b) In addition to department ~~[commission]~~ records excepted from disclosure under Chapter [552](#), the following information is confidential and is exempt from disclosure:

1 (1) security plans and procedures of the department
2 ~~[commission]~~ designed to ensure the integrity and security of the
3 operation of the lottery;

4 (2) information of a nature that is designed to ensure
5 the integrity and security of the selection of winning tickets or
6 numbers in the lottery, other than information describing the
7 general procedures for selecting winning tickets or numbers;

8 (3) the street address and telephone number of a prize
9 winner, if the prize winner has not consented to the release of the
10 information; and

11 (4) except as otherwise authorized by Section 466.411,
12 all personally identifiable information of a natural person who is:

13 (A) a lottery prize winner and who has chosen to
14 remain anonymous under Section 466.411; or

15 (B) an owner of a beneficial interest in a legal
16 entity that is a lottery prize winner and who has chosen to remain
17 anonymous under Section 466.411.

18 SECTION 13. Section 466.023(b), Government Code, is amended
19 to read as follows:

20 (b) An investigation report or other document submitted by
21 the Department of Public Safety to the department ~~[commission]~~
22 becomes part of the investigative files of the department
23 ~~[commission]~~ and is subject to discovery by a person that is the
24 subject of the investigation report or other document.

25 SECTION 14. Section 466.026, Government Code, is amended to
26 read as follows:

27 Sec. 466.026. AMBER ALERT. On receipt of notice by the

1 Department of Public Safety that the Statewide Texas Amber Alert
2 Network has been activated, the department [~~commission~~] shall
3 disseminate Amber Alert information at its retail locations through
4 the lottery operator system.

5 SECTION 15. Sections 466.027(a), (b), (c), and (d),
6 Government Code, are amended to read as follows:

7 (a) The department [~~commission~~] shall operate an
8 instant-ticket lottery game to benefit the fund for veterans'
9 assistance established by Section 434.017.

10 (b) The department [~~commission~~] shall:

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

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

15 (3) change the design or theme of the game regularly to
16 ensure that the game remains competitive with other instant-ticket
17 lottery games offered by the department [~~commission~~].

18 (c) The department [~~commission~~] shall market and advertise
19 the lottery game operated under this section in a manner intended to
20 inform the public that the game tickets are available for purchase
21 and that the game proceeds are used to fund veterans programs in
22 this state. The game tickets must clearly state that the game
23 proceeds are used to benefit the veterans in this state. The Texas
24 Veterans Commission may make recommendations to the department
25 [~~Texas Lottery Commission~~] relating to the marketing and
26 advertising of the game.

27 (d) The department [~~commission~~] shall encourage each sales

1 agent that sells tickets to instant-ticket games or similar types
2 of lottery games to sell tickets to the game operated under this
3 section.

4 SECTION 16. Subchapter B, Chapter 466, Government Code, is
5 amended by adding Sections 466.029 and 466.030 to read as follows:

6 Sec. 466.029. PRESERVATION OF LOTTERY-RELATED DOCUMENTS.

7 (a) Notwithstanding any other law, the department shall preserve
8 all department records, including e-mails, relating to the
9 operation of the state lottery until at least the first anniversary
10 of the last date the record is modified.

11 (b) The department may not use a software program to
12 automatically delete a record relating to the operation of the
13 state lottery on a date earlier than the last day of the period
14 specified by Subsection (a).

15 Sec. 466.030. REQUIRED RECORDING OF CERTAIN STATE LOTTERY
16 MEETINGS. (a) The department shall make and maintain a recording
17 of any formal meeting of the commission related to the state lottery
18 or of the lottery advisory committee.

19 (b) The department shall maintain the recording described
20 by Subsection (a) until at least the fifth anniversary of the
21 meeting date.

22 SECTION 17. Section 466.105(b), Government Code, is amended
23 to read as follows:

24 (b) Notwithstanding the provisions of Title 2, Utilities
25 Code, the department [~~commission~~] may negotiate rates and execute
26 contracts with telecommunications service providers for the
27 interexchange services necessary for the operation of the

1 lottery. The department [~~commission~~] may acquire transmission
2 facilities by lease, purchase, or lease-purchase. The acquisition
3 of transmission facilities must be done on a competitive bid basis
4 if possible.

5 SECTION 18. Section 466.106(a), Government Code, is amended
6 to read as follows:

7 (a) In all contracts for lottery equipment, supplies,
8 services, and advertising, the department [~~commission~~] and each
9 lottery operator shall give preference to equipment or supplies
10 produced in this state or services or advertising offered by
11 bidders from this state, the cost to the state and quality being
12 equal.

13 SECTION 19. Sections 466.107(a) and (c), Government Code,
14 are amended to read as follows:

15 (a) The executive director and each lottery operator shall
16 take positive steps to:

17 (1) inform minority businesses of opportunities to:

18 (A) provide lottery equipment and supplies to the
19 department [~~commission~~];

20 (B) provide services, including advertising, to
21 the department [~~commission~~] for the operation of the lottery; or

22 (C) obtain a license to sell lottery tickets;

23 (2) waive or modify bond requirements, if feasible;

24 (3) award contracts for lottery equipment or supplies
25 to minority businesses when possible;

26 (4) award contracts for lottery services, including
27 advertising, to minority businesses when possible;

(5) license minority businesses as sales agents;

(6) monitor the effectiveness of the efforts to increase the ability of minority businesses to do business with the department ~~[commission]~~; and

(7) require all bidders or contractors, when appropriate, to include specific plans or arrangements to use subcontracts with minority businesses.

(c) The department ~~[commission]~~ shall annually report to the legislature and the governor on the level of minority business participation as pertains to both the department's ~~[commission's]~~ contracts and the licensing of sales agents. The report must include recommendations for the improvement of minority business opportunities in lottery-related business.

SECTION 20. Section 466.108, Government Code, is amended to read as follows:

Sec. 466.108. TELEVISION CONTRACTS. If the drawing or selection of winning tickets is televised under a contract with the department ~~[commission]~~, the contract must be awarded by competitive bid. The commission shall adopt rules governing the competitive bidding process. Money received under the contract shall be deposited in the state lottery account established under Section 466.355.

SECTION 21. Section 466.109, Government Code, is amended to read as follows:

Sec. 466.109. PUBLICITY OF INDIVIDUALS PROHIBITED. (a) A state officer, including a commission member or the executive director, or an officer or employee of the department ~~[commission]~~,

1 may not appear in an advertisement or promotion for the lottery that
2 is sponsored by the department [~~commission~~] or in a televised
3 lottery drawing. An advertisement or promotion for the lottery may
4 not contain the likeness or name of a state officer, including a
5 commission member or the executive director, or an officer or
6 employee of the department [~~commission~~].

7 (b) In connection with providing security for the lottery,
8 this section does not prohibit a security officer or investigator
9 employed by the department [~~commission~~] from appearing in a
10 televised lottery drawing or other promotion for the lottery that
11 is sponsored by the department [~~commission~~].

12 (c) Notwithstanding this section, the executive director
13 may designate an employee of the department [~~commission~~] to
14 participate in a promotional event.

15 SECTION 22. Section 466.110, Government Code, is amended to
16 read as follows:

17 Sec. 466.110. PROHIBITED ADVERTISEMENTS. The legislature
18 intends that advertisements or promotions sponsored by the
19 department [~~commission or the division~~] for the lottery not be of a
20 nature that unduly influences any person to purchase a lottery
21 ticket or number.

22 SECTION 23. Section 466.151(a), Government Code, is amended
23 to read as follows:

24 (a) If the executive director authorizes a person who is not
25 an employee of the department [~~commission~~] to sell tickets, the
26 person must be licensed as a sales agent by the department
27 [~~commission~~].

SECTION 24. Sections 466.155(a), (b), (e), and (f), Government Code, are amended to read as follows:

(a) After a hearing, the executive director shall deny an application for a license or the department [~~commission~~] shall suspend or revoke a license if the executive director or department [~~commission~~], as applicable, finds that the applicant or sales agent:

(1) is an individual who:

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

(B) is or has been a professional gambler;

(C) is married to an individual:

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

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

(D) is an officer or employee of the department [~~commission~~] or a lottery operator; or

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

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

(A) is an officer or director of the applicant or sales agent;

(B) holds more than 10 percent of the stock in the applicant or sales agent;

(C) holds an equitable interest greater than 10 percent in the applicant or sales agent;

(D) is a creditor of the applicant or sales agent who holds more than 10 percent of the applicant's or sales agent's outstanding debt;

(E) is the owner or lessee of a business that the applicant or sales agent conducts or through which the applicant will conduct a ticket sales agency;

(F) shares or will share in the profits, other than stock dividends, of the applicant or sales agent; or

(G) participates in managing the affairs of the applicant or sales agent;

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

(4) is a person whose location for the sales agency is:

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

(B) on land that is owned by:

(i) this state; or

(ii) a political subdivision of this state and on which is located a public primary or secondary school, an institution of higher education, or an agency of the state; or

(C) a location for which a person holds a wine and

malt beverage retailer's permit, mixed beverage permit, mixed beverage permit with a retailer late hours certificate, private club registration permit, or private club registration permit with a retailer late hours certificate issued under Chapter 25, 28, 29, or 32, Alcoholic Beverage Code, other than a location for which a person holds a wine and malt beverage retailer's permit issued under Chapter 25, Alcoholic Beverage Code, that derives less than 30 percent of the location's gross receipts from the sale or service of alcoholic beverages; or

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

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

(e) The executive director may not issue a license to a person who has previously had a license under this chapter revoked unless the executive director is satisfied the person will comply with this chapter and the rules adopted under this chapter. The executive director may prescribe the terms under which a suspended

1 license will be reissued.

2 (f) The executive director may not issue a license to an
3 applicant who fails to certify to the executive director the
4 applicant's compliance with the federal Americans with
5 Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.).

6 SECTION 25. Sections 466.160(a), (b), and (d), Government
7 Code, are amended to read as follows:

8 (a) The department [~~commission~~] may suspend a sales agent's
9 license summarily without notice or hearing if the department
10 [~~commission~~] finds that the action is necessary to maintain the
11 integrity, security, honesty, or fairness of the operation or
12 administration of the lottery or to prevent financial loss to the
13 state and:

14 (1) the sales agent fails to deposit money received
15 from ticket sales under Section 466.351;

16 (2) an event occurs that would render the sales agent
17 ineligible for a license under Section 466.155;

18 (3) the sales agent refuses to permit the executive
19 director, the department [~~director, the commission~~], or the state
20 auditor to examine the agent's books, records, papers, or other
21 objects under Section 466.017(b); or

22 (4) the executive director learns the sales agent has
23 failed to disclose information that would, if disclosed, render the
24 sales agent ineligible for a license under Section 466.155.

25 (b) The department [~~commission~~] may summarily suspend a
26 sales agent's license if proceedings for a preliminary hearing
27 before the State Office of Administrative Hearings are initiated

1 simultaneously with the summary suspension. The preliminary
2 hearing shall be set for a date not later than 10 days after the date
3 of the summary suspension, unless the parties agree to a later date.

4 (d) To initiate a proceeding to summarily suspend a sales
5 agent's license, the department [~~commission~~] must serve notice to
6 the sales agent informing the agent of the right to a preliminary
7 hearing and of the time and place of the preliminary hearing. The
8 notice must be personally served on the sales agent or an officer,
9 employee, or agent of the sales agent or sent by certified or
10 registered mail, return receipt requested, to the sales agent's
11 mailing address as it appears on the department's [~~commission's~~]
12 records. The notice must state the alleged violations that
13 constitute grounds for summary suspension. The suspension is
14 effective at the time the notice is served. If notice is served in
15 person, the sales agent shall immediately surrender the license to
16 the department [~~commission~~]. If notice is served by mail, the sales
17 agent shall immediately return the license to the department
18 [~~commission~~]. If the sales agent uses an on-line electronic
19 terminal to sell tickets, the executive director or a lottery
20 operator on the instructions of the executive director may
21 terminate the connection of the terminal to the department's
22 [~~commission's~~] lottery computer at the time:

23 (1) the proceeding to summarily suspend the license is
24 initiated; or

25 (2) the department [~~division~~] discovers the sales
26 agent has failed to deposit money received from ticket sales, if the
27 sales agent's license is being summarily suspended under Subsection

(a)(1).

SECTION 26. Sections 466.161(b) and (c), Government Code, are amended to read as follows:

(b) This section does not waive any immunity of the department ~~[commission]~~ or this state.

(c) This section does not create a cause of action against this state, the department ~~[commission]~~, a department ~~[commission]~~ employee, or a sales agent.

SECTION 27. Section 466.201, Government Code, is amended to read as follows:

Sec. 466.201. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION. (a) The department ~~[commission]~~ is entitled to conduct an investigation of and is entitled to obtain criminal history record information maintained by the Department of Public Safety, the Federal Bureau of Investigation Identification Division, or another law enforcement agency to assist in the investigation of:

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

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

(3) a lottery operator or prospective lottery operator;

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

(5) a person who manufactures or distributes lottery

1 equipment or supplies, or a representative of a person who
2 manufactures or distributes lottery equipment or supplies offered
3 to the lottery;

4 (6) a person who has submitted a written bid or
5 proposal to the department [~~commission~~] in connection with the
6 procurement of goods or services by the department [~~commission~~], if
7 the amount of the bid or proposal exceeds \$500;

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

10 (8) a person who proposes to enter into or who has a
11 contract with the department [~~commission~~] to supply goods or
12 services to the department [~~commission~~]; or

13 (9) if a person described in Subdivisions (1) through
14 (8) is not an individual, an individual who:

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

16 (B) holds more than 10 percent of the stock in the
17 person;

18 (C) holds an equitable interest greater than 10
19 percent in the person;

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

22 (E) is the owner or lessee of a business that the
23 person conducts or through which the person will conduct
24 lottery-related activities;

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

27 (G) participates in managing the affairs of the

1 person; or

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

4 (i) selling tickets; or

5 (ii) handling money from the sale of
6 tickets.

7 (b) The department [~~commission~~] shall conduct an
8 investigation of and obtain criminal history record information
9 maintained by the Department of Public Safety, the Federal Bureau
10 of Investigation Identification Division, or another law
11 enforcement agency to assist in the investigation of:

12 (1) [~~the executive director or~~] a prospective
13 executive director; or

14 (2) a [~~an employee or~~] prospective employee of the
15 department who the executive director determines:

16 (A) has or will have access to sensitive or
17 confidential data relating to this chapter or Chapter 2001,
18 Occupations Code; or

19 (B) has or will have as the employee's or
20 prospective employee's primary role the administration of this
21 chapter or Chapter 2001, Occupations Code [~~commission~~].

22 (c) Not later than the first anniversary after the date of
23 each renewal, the department [~~commission~~] shall obtain criminal
24 history record information maintained by the Department of Public
25 Safety on a sales agent whose license is renewed under Section
26 466.158.

27 SECTION 28. Section 466.202, Government Code, is amended to

read as follows:

Sec. 466.202. FINGERPRINTS. (a) The executive director may discharge from employment or ~~[an employee of the commission who fails to provide a complete legible set of fingerprints on request. The executive director may]~~ refuse to consider, as applicable, an employee or [a] prospective employee of the department [commission] who fails to provide a complete legible set of fingerprints for purposes of conducting an investigation and obtaining criminal history record information under Section 466.201(b)(2) [on request].

(b) The executive director may deny an application for a license or the department ~~[commission]~~ may suspend or revoke a license if the applicant or sales agent fails on request to provide a complete legible set of fingerprints of a person required to be named in a license application.

SECTION 29. Sections 466.203(a) and (c), Government Code, are amended to read as follows:

(a) The executive director may request the cooperation of the Department of Public Safety to perform a background investigation of a person listed in Section 466.201(a) or (b). The executive director shall reimburse the Department of Public Safety ~~[department]~~ for the actual cost of an investigation.

(c) Unless otherwise prohibited by law, the Department of Public Safety may retain any record or information submitted to it under this section. The Department of Public Safety ~~[department]~~ shall notify the executive director of any change in information provided to the executive director when the Department of Public

1 Safety [~~department~~] learns of the change.

2 SECTION 30. Section 466.204, Government Code, is amended to
3 read as follows:

4 Sec. 466.204. ACCESS TO INTERNAL REVENUE SERVICE
5 INFORMATION. The executive director may obtain information
6 relating to a person's qualification for licensing, employment, or
7 contracting under this chapter from the Internal Revenue Service
8 under a contract between the comptroller and the Internal Revenue
9 Service on:

10 (1) a sales agent or an applicant for a sales agent
11 license;

12 (2) an employee or prospective employee of the
13 department [~~commission~~];

14 (3) a person required to be named in a license
15 application;

16 (4) a lottery operator or prospective lottery
17 operator;

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

21 (6) a person who manufactures or distributes lottery
22 equipment or supplies, or a representative of a person who
23 manufactures or distributes lottery equipment or supplies offered
24 to the lottery;

25 (7) a person who has submitted a written bid or
26 proposal to the department [~~commission~~] in connection with the
27 procurement of goods or services by the department [~~commission~~];

1 (8) an employee or other person who works for or will
2 work for a sales agent or an applicant for a sales agent license; or

3 (9) a person who proposes to enter into or who has a
4 contract with the department [~~commission~~] to supply goods or
5 services to the department [~~commission~~].

6 SECTION 31. Section 466.254, Government Code, is amended to
7 read as follows:

8 Sec. 466.254. PURCHASE OF TICKET BY OR PAYMENT OF PRIZE TO
9 CERTAIN PERSONS; CRIMINAL OFFENSE. (a) A person may not purchase
10 a ticket or claim, collect, or receive a lottery prize or a share of
11 a lottery prize if the person is:

12 (1) a member, officer, or employee of a person that has
13 a contract with the department [~~commission~~] to sell or lease goods
14 or services used in the operation of the lottery, and the member,
15 officer, or employee is directly involved in selling or leasing the
16 goods or performing the services that are the subject of the
17 contract with the department [~~commission~~];

18 (2) a member, officer, or employee of a lottery
19 operator;

20 (3) an officer or employee of the department
21 [~~commission~~]; or

22 (4) a spouse, child, brother, sister, or parent
23 residing as a member of the same household in the principal place of
24 residence of a person described by Subdivision (1), (2), or (3).

25 (b) A person commits an offense if the person violates
26 Subsection (a). An offense under this subsection is a Class A
27 misdemeanor.

SECTION 32. Subchapter F, Chapter 466, Government Code, is amended by adding Sections 466.255, 466.257, 466.258, and 466.259 to read as follows:

Sec. 466.255. LIMITATION ON NUMBER OF LOTTERY TICKETS PER TRANSACTION; CRIMINAL OFFENSE. (a) A person may not sell to one individual more than 100 lottery tickets in a single transaction.

(b) A person commits an offense if the person violates Subsection (a). An offense under this subsection is a Class B misdemeanor.

Sec. 466.257. METHOD, LOCATION, AND HOURS FOR PURCHASE OF TICKET. A person may only purchase a ticket:

(1) in person;

(2) at the location of a licensed sales agency; and

(3) during the normal business hours of the licensed sales agency.

Sec. 466.258. REQUIRED AGE VERIFICATION OF TICKET PURCHASER; CRIMINAL OFFENSE. (a) A licensed sales agent or an employee of a sales agent shall use an age verification process prescribed by commission rule to verify the age of each ticket purchaser at the point of sale.

(b) A person who violates Subsection (a) commits an offense. An offense under this subsection is a Class B misdemeanor.

Sec. 466.259. LIMITATION ON CERTAIN LOTTERY EQUIPMENT. (a) The commission by rule shall limit the access at a sales agent's licensed location to lottery vending machines, lottery computer terminals, or other equipment that prints lottery tickets in a number disproportionate to the amount of legitimate retail business

1 conducted at the location.

2 (b) Unless otherwise provided by commission rules adopted
3 under Subsection (a), the department may not provide to a sales
4 agent's licensed location more than five lottery vending machines,
5 lottery computer terminals, or other equipment dedicated to
6 printing lottery tickets.

7 SECTION 33. Section 466.302(a), Government Code, is amended
8 to read as follows:

9 (a) A person commits an offense if the person intentionally
10 or knowingly sells a ticket at a price the person knows is greater
11 than that fixed by the department [~~commission~~] or by the lottery
12 operator authorized to set that price.

13 SECTION 34. Section 466.3051, Government Code, is amended
14 by amending Subsections (a) and (d) and adding Subsection (g) to
15 read as follows:

16 (a) A sales agent or an employee of a sales agent commits an
17 offense if with criminal negligence the person [~~intentionally or~~
18 ~~knowingly~~] sells or offers to sell a ticket to an individual that
19 the person knows is younger than 18 years of age.

20 (d) It is a defense to the application of Subsection (b)
21 that the individual younger than 18 years of age is participating in
22 an inspection or investigation on behalf of the department
23 [~~commission~~] or other appropriate governmental entity regarding
24 compliance with this section.

25 (g) The commission or department may not take any
26 disciplinary action against a sales agent to whom Subsection (a)
27 applies if:

1 (1) the sales agent's employee electronically accessed
2 the electronically readable information on the ticket purchaser's
3 driver's license, commercial driver's license, or personal
4 identification certificate; and

5 (2) the transaction scan device used to electronically
6 access the purchaser's electronically readable information
7 identified the license or certificate as valid and the purchaser as
8 18 years of age or older on the purchase date.

9 SECTION 35. Section 466.3052(a), Government Code, is
10 amended to read as follows:

11 (a) A person commits an offense if the person intentionally
12 or knowingly sells a ticket and the person accepts anything other
13 than the following as payment for the ticket:

- 14 (1) United States currency;
- 15 (2) a negotiable instrument in the form of a check that
16 meets the requirements of Section 3.104, Business & Commerce Code;
- 17 (3) a debit made through a financial institution debit
18 card;
- 19 (4) a coupon or voucher issued by the department
20 ~~[commission]~~ for purposes of purchasing a lottery ticket; or
- 21 (5) a mail order subscription on a mail order
22 subscription form authorized by the department ~~[commission]~~.

23 SECTION 36. Section 466.311(b), Government Code, is amended
24 to read as follows:

25 (b) A person commits an offense if the person knowingly
26 refuses to produce for inspection by the ~~[director]~~ executive
27 director, department ~~[commission]~~, or state auditor a book, record,

or document required to be maintained or made by this chapter or a rule adopted under this chapter.

SECTION 37. Subchapter G, Chapter 466, Government Code, is amended by adding Section 466.318 to read as follows:

Sec. 466.318. PLAY OR FACILITATING PLAY BY TELEPHONE OR BY INTERNET OR MOBILE INTERNET APPLICATION. (a) A person may not by telephone or through an Internet application or mobile Internet application:

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

(2) for compensation:

(A) accept an order for a ticket for a lottery game from a player;

(B) sell a ticket for a lottery game to a player;

or

(C) arrange:

(i) to purchase a ticket on behalf of a person playing a lottery game; or

(ii) for another person to purchase a ticket on behalf of a person playing a lottery game.

(b) A person commits an offense if the person violates this section.

(c) An offense under Subsection (a)(1) is a Class A misdemeanor.

(d) An offense under Subsection (a)(2) is a Class A misdemeanor.

SECTION 38. Section 466.401(a), Government Code, is amended

to read as follows:

(a) The office [~~department~~] of security shall supervise ticket validation and lottery drawings.

SECTION 39. Sections 466.408(a), (c), and (f), Government Code, are amended to read as follows:

(a) The department [~~division~~] shall retain an unclaimed prize on a winning ticket for payment or delivery to the person entitled to the prize for 180 days after the date on which the winner was selected.

(c) If a claim is not made for a prize other than prize money on or before the 180th day after the date on which the winner was selected, the prize shall revert to the department [~~division~~] for use in subsequent games.

(f) The department [~~commission~~] may deduct money paid to an eligible person under Subsection (e) from prize money that would otherwise be deposited under Subsection (b).

SECTION 40. Sections 466.410(a), (b), (d), (f), (g), and (j), Government Code, are amended to read as follows:

(a) A person may assign, in whole or in part, the right to receive prize payments that are paid by the department [~~commission~~] in installments over time if the assignment is made to a person designated by an order of a district court of Travis County, except that a person may not assign the right to receive prize payments if the person is subject to a child support order and is delinquent in making support payments under that order.

(b) A district court shall issue an order approving a voluntary assignment and directing the department [~~commission~~] to

1 direct prize payments in whole or in part to the assignee if:

2 (1) a copy of the petition for the order and copies of
3 all notices of any hearing in the matter have been served on the
4 executive director not later than 20 days prior to any hearing or
5 entry of any order. The department [~~commission~~] may intervene in a
6 proceeding to protect the interests of the department [~~commission~~]
7 but shall not be considered an indispensable or necessary party. A
8 petition filed under this section shall include in the caption the
9 prize winner's name as it appears on the lottery claim form;

10 (2) the assignment is in writing, executed by the
11 assignor and assignee (or designated agent), and by its terms
12 subject to the laws of this state; and

13 (3) the assignor provides a sworn and notarized
14 affidavit stating that the assignor:

15 (A) is of sound mind, over 18 years of age, is in
16 full command of the person's faculties, and is not acting under
17 duress;

18 (B) is not delinquent in payment of child support
19 under a court or administrative order issued in this state or
20 another state;

21 (C) has been advised regarding the assignment by
22 independent legal counsel and has had the opportunity to receive
23 independent financial and tax advice concerning the effects of the
24 assignment;

25 (D) understands that the assignor will not
26 receive the prize payments, or portions of the prize payments, for
27 the assigned years;

1 (E) understands and agrees that with regard to
2 the assigned payments, the state, the department [~~commission~~], and
3 its officials and employees will have no further liability or
4 responsibility to make the assigned payments to the assignor;

5 (F) has been provided a one-page written
6 disclosure statement stating, in boldfaced type, 14 points or
7 larger:

8 (i) the payments being assigned, by amounts
9 and payment dates;

10 (ii) the purchase price being paid, if any;

11 (iii) if a purchase price is paid, the rate
12 of discount to the present value of the prize, assuming daily
13 compounding and funding on the contract date; and

14 (iv) the amount, if any, of any origination
15 or closing fees that will be charged to the assignor; and

16 (G) was advised in writing, at the time the
17 assignment was signed, that the assignor had the right to cancel
18 without any further obligation not later than the third business
19 day after the date the assignment was signed.

20 (d) With respect to any given prize, the order shall also
21 recite and identify all prior assignments by amount of or fraction
22 of payment assigned, the identity of the assignee, and the date(s)
23 of payment(s) assigned. A court order obtained pursuant to this
24 section, together with all such prior orders, shall not require the
25 department [~~commission~~] to divide any single prize payment among
26 more than three different persons.

27 (f) A certified copy of a court order granted under this

section shall be delivered to the department [~~commission~~] and such order must be provided to the department [~~commission~~] no later than 20 days prior to the date upon which the first assigned payment is to be paid to the assignee. Within 20 days of receipt of the court order, the department [~~commission~~] shall acknowledge in writing to both the assignor and the assignee its receipt of said court order. Unless the department [~~commission~~] provides written notice to the assignor and assignee that the department [~~commission~~] cannot comply with the court order, the department [~~commission~~] shall thereafter make the prize payments in accordance with the court order.

(g) The department [~~commission~~] shall establish and collect a reasonable fee to defray any administrative expenses associated with an assignment made under this section, including the cost to the department [~~commission~~] of any processing fee imposed by a private annuity provider. The department [~~commission~~] shall establish the amount of the fee to reflect the direct and indirect costs associated with processing the assignment.

(j) After receiving a letter or ruling from the Internal Revenue Service or a published decision of a court as provided by Subsection (i)(1) or (2), the executive director shall immediately file a copy of the letter, ruling, or published decision with the secretary of state. When the executive director files a copy of the letter, ruling, or published decision with the secretary of state, an assignor is ineligible to assign a prize under this section, and the department [~~commission~~] shall not make any payment to an assignee pursuant to a court order entered after the date of such

1 letter or ruling.

2 SECTION 41. Sections 466.411(b) and (d), Government Code,
3 are amended to read as follows:

4 (b) The department [~~commission~~] may release or disclose the
5 personally identifiable information of a natural person who is a
6 lottery prize winner if the person chooses to have the prize paid in
7 periodic installments. The department [~~commission~~] may only
8 disclose the information on or after the 30th day after the date the
9 person claims the lottery prize if the person chooses to remain
10 anonymous under Subsection (a).

11 (d) This section does not prohibit release of a natural
12 person prize winner's city or county of residence or prevent the
13 department [~~commission~~] from releasing the person's personally
14 identifiable information to the Health and Human Services
15 Commission or as necessary to comply with Section 466.407 or
16 466.4075.

17 SECTION 42. Subchapter I, Chapter 466, Government Code, is
18 amended by adding Section 466.412 to read as follows:

19 Sec. 466.412. REQUIRED FORM FOR PRIZE WINNERS.
20 Notwithstanding any other law, the director may not authorize
21 payment of a prize until the prize winner submits to the department
22 any form required by the Internal Revenue Service and the
23 department independently verifies the form information.

24 SECTION 43. Section 466.451, Government Code, is amended to
25 read as follows:

26 Sec. 466.451. MULTIJURISDICTION AGREEMENT AUTHORIZED. The
27 department [~~commission~~] may enter into a written agreement with the

1 appropriate officials of one or more other states or other
2 jurisdictions, including foreign countries, to participate in the
3 operation, marketing, and promotion of a multijurisdiction lottery
4 game or games. The commission may adopt rules relating to a
5 multijurisdiction lottery game or games.

6 SECTION 44. Section 466.452(b), Government Code, is amended
7 to read as follows:

8 (b) The department [~~commission~~] may deposit a portion of the
9 revenue received from the sale of multijurisdiction lottery game
10 tickets in this state into a fund shared with other parties to an
11 agreement under this subchapter for the payment of prizes awarded
12 in multijurisdiction lottery games in which the department
13 [~~commission~~] participates. The department [~~commission~~] may retain
14 that revenue in the fund for as long as necessary to pay prizes
15 claimed during the period designated for claiming a prize in the
16 multijurisdiction lottery game.

17 SECTION 45. Section 466.453, Government Code, is amended to
18 read as follows:

19 Sec. 466.453. PAYMENT OF COSTS AUTHORIZED. The department
20 [~~commission~~] may share in the payment of costs associated with
21 participating in multijurisdiction lottery games.

22 SECTION 46. Section 544.0456(c), Government Code, is
23 amended to read as follows:

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

25 (1) conduct electronic data matches with the Texas
26 Department of Licensing and Regulation [~~Lottery Commission~~] to
27 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

(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 47. Sections 572.003(b) and (c), Government Code, are amended to read as follows:

(b) The term means:

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

1 ~~[(6) the deputy in charge of the department of~~
2 ~~security in the lottery division of the Texas Lottery Commission,~~
3 ~~[(7)]~~ the executive director of the ~~[bingo division of~~
4 ~~the]~~ Texas Department of Licensing and Regulation ~~[Lottery~~
5 ~~Commission]~~; or

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

7 (c) The term means a member of:

- 8 (1) the Public Utility Commission of Texas;
- 9 (2) the Texas Commission on Environmental Quality;
- 10 (3) the Texas Alcoholic Beverage Commission;
- 11 (4) the Finance Commission of Texas;
- 12 (5) the Texas Facilities Commission;
- 13 (6) the Texas Board of Criminal Justice;
- 14 (7) the board of trustees of the Employees Retirement
15 System of Texas;
- 16 (8) the Texas Transportation Commission;
- 17 (9) the Texas Department of Insurance;
- 18 (10) the Parks and Wildlife Commission;
- 19 (11) the Public Safety Commission;
- 20 (12) the Texas Ethics Commission;
- 21 (13) the State Securities Board;
- 22 (14) the Texas Water Development Board;
- 23 (15) the governing board of a public senior college or
24 university as defined by Section [61.003](#), Education Code, or of The
25 University of Texas Southwestern Medical Center, The University of
26 Texas Medical Branch at Galveston, The University of Texas Health
27 Science Center at Houston, The University of Texas Health Science

Center at San Antonio, The University of Texas M. D. Anderson Cancer Center, The University of Texas Health Science Center at Tyler, University of North Texas Health Science Center at Fort Worth, Texas Tech University Health Sciences Center, Texas State Technical College--Harlingen, Texas State Technical College--Marshall, Texas State Technical College--Sweetwater, or Texas State Technical College--Waco;

(16) the Texas Higher Education Coordinating Board;

(17) the Texas Workforce Commission;

(18) the board of trustees of the Teacher Retirement System of Texas;

(19) the Credit Union Commission;

(20) the School Land Board;

(21) the board of the Texas Department of Housing and Community Affairs;

(22) the Texas Racing Commission;

(23) the State Board of Dental Examiners;

(24) the Texas Medical Board;

(25) the Board of Pardons and Paroles;

(26) the Texas State Board of Pharmacy;

(27) the Department of Information Resources governing board;

(28) the board of the Texas Department of Motor Vehicles;

(29) the Texas Real Estate Commission;

(30) the board of directors of the State Bar of Texas;

(31) the Bond Review Board;

(32) the Health and Human Services Commission;

(33) the Texas Funeral Service Commission;

(34) the board of directors of a river authority created under the Texas Constitution or a statute of this state; or

(35) ~~[the Texas Lottery Commission, or~~

~~(36)]~~ the Cancer Prevention and Research Institute of Texas.

SECTION 48. Section 2054.007(a), Government Code, is amended to read as follows:

(a) The lottery program ~~[division]~~ of the Texas ~~[Lottery]~~ Commission of Licensing and Regulation is not subject to the planning and procurement requirements of this chapter.

SECTION 49. Sections 467.001(3), (4), (5), (6), (7), (8), (9), (10), and (11), Government Code, are transferred to Section 51.001, Occupations Code, redesignated 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 amended to read as follows:

(1-b) ~~(3)~~ "Communicate directly with" has the meaning assigned by Section 305.002, Government Code.

(2-a) ~~(4)~~ "Gift" includes a gratuity, trip, meal, or other thing of value for which the recipient does not compensate the person making the gift and that is not conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.

(2-b) ~~(5)~~ "Legislation" has the meaning assigned by Section 305.002, Government Code.

(4-a) ~~(6)~~ "Member of the legislative branch" has the

1 meaning assigned by Section 305.002, Government Code.

2 (4-b) [~~(7)~~] "Participated" means to have taken action
3 as an officer or employee through decision, approval, disapproval,
4 recommendation, giving advice, or similar action.

5 (4-c) [~~(8)~~] "Particular matter" includes an
6 investigation, an application, a request for a ruling or
7 determination, a license proceeding, rulemaking, a contract, a
8 controversy, a claim, a charge, an accusation, an arrest, or a
9 judicial or other proceeding.

10 (4-d) [~~(9)~~] "Person that has a significant financial
11 interest in the lottery" means:

12 (A) a person or a board member, officer, trustee,
13 or general partner of a person that manufactures, distributes,
14 sells, or produces lottery equipment, supplies, services, or
15 advertising;

16 (B) an employee of a person that manufactures,
17 distributes, sells, or produces lottery equipment, supplies,
18 services, or advertising and that employee is directly involved in
19 the manufacturing, distribution, selling, or production of lottery
20 equipment, supplies, services, or advertising;

21 (C) a person or a board member, officer, trustee,
22 or general partner of a person that has made a bid to operate the
23 lottery in the preceding two years or that intends to make a bid to
24 operate the lottery or an employee of the person if the employee is
25 directly involved in making the bid; or

26 (D) a sales agent.

27 (4-e) [~~(10)~~] "Political committee" has the meaning

assigned by Section 251.001, Election Code.

(4-f) [~~411~~] "Political contribution" has the meaning assigned by Section 251.001, Election Code.

SECTION 50. Section 51.053, Occupations Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to the eligibility requirements provided by Subsection (b), a person is not eligible for appointment as a member of the commission if the person:

(1) has been convicted of a felony or of any crime involving moral turpitude; or

(2) is not a citizen of the United States.

SECTION 51. Section 467.025, Government Code, is transferred to Subchapter B, Chapter 51, Occupations Code, redesignated as Section 51.061, Occupations Code, and amended to read as follows:

Sec. 51.061 [~~467.025~~]. PROHIBITED CONDUCT. (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;

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

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

6 (b) A commission member or former commission member or the
7 spouse of a commission member or former commission member may not
8 solicit or accept employment from a person regulated by the
9 commission before the second anniversary of the date on which the
10 commission member's service on the commission ends.

11 SECTION 52. Section [467.036](#), Government Code, is
12 transferred to Subchapter B, Chapter [51](#), Occupations Code,
13 redesignated as Section 51.062, Occupations Code, and amended to
14 read as follows:

15 Sec. 51.062 [~~467.036~~]. ACCESS TO CRIMINAL HISTORY
16 RECORDS. (a) The governor shall conduct an investigation of and
17 is entitled to obtain criminal history record information
18 maintained by the Department of Public Safety, the Federal Bureau
19 of Investigation Identification Division, or another law
20 enforcement agency relating to an individual the governor intends
21 to appoint to the commission.

22 (b) The department [~~commission~~] shall conduct an
23 investigation of and is entitled to obtain criminal history record
24 information maintained by the Department of Public Safety, the
25 Federal Bureau of Investigation Identification Division, or
26 another law enforcement agency relating to an individual the
27 department employs or [~~commission~~] intends to employ who has or

1 will have access to sensitive or confidential data relating to this
2 chapter, Chapter 466, Government Code, or Chapter 2001 of this
3 code.

4 SECTION 53. Section 467.101, Government Code, is
5 transferred to Subchapter D, Chapter 51, Occupations Code,
6 redesignated as Section 51.2011, Occupations Code, and amended to
7 read as follows:

8 Sec. 51.2011 [467.101]. POWERS AND DUTIES OF COMMISSION
9 REGARDING STATE LOTTERY AND BINGO REGULATION. (a) The commission
10 has broad authority and shall exercise strict control and close
11 supervision over all activities authorized and conducted in this
12 state under:

13 (1) Chapter 2001 [~~Occupations Code~~]; and

14 (2) Chapter 466, Government Code [~~of this code~~].

15 (b) The commission shall ensure that games are conducted
16 fairly and in compliance with the law.

17 (c) The commission also has the powers and duties granted
18 under:

19 (1) Chapter 2001 [~~Occupations Code~~]; and

20 (2) Chapter 466, Government Code [~~of this code~~].

21 SECTION 54. Section 467.104, Government Code, is
22 transferred to Subchapter D, Chapter 51, Occupations Code,
23 redesignated as Section 51.212, Occupations Code, and amended to
24 read as follows:

25 Sec. 51.212 [467.104]. LOTTERY AND BINGO PROGRAM RECORDS.

26 (a) Except as otherwise provided by law, all commission records
27 relating to the state lottery under Chapter 466, Government Code,

1 and the regulation of charitable bingo under Chapter 2001 are
2 subject to public inspection in accordance with Chapter 552,
3 Government Code.

4 (b) The executive director shall keep the records described
5 by Subsection (a) [of the commission].

6 SECTION 55. Section 467.105, Government Code, is
7 transferred to Subchapter D, Chapter 51, Occupations Code,
8 redesignated as Section 51.213, Occupations Code, and amended to
9 read as follows:

10 Sec. 51.213 [467.105]. LEGAL REPRESENTATION. (a) The
11 attorney general shall designate at least one member of the
12 attorney general's staff to counsel and advise the commission and
13 to represent the commission in legal proceedings. The attorney
14 general shall make available to the appropriate prosecuting
15 attorneys any information obtained regarding a violation of a law
16 under the commission's jurisdiction.

17 (b) The attorney general may apply for injunctive or
18 declaratory relief to enforce a law under the commission's
19 jurisdiction or a rule adopted by the commission. Action by the
20 attorney general under this subsection does not limit the authority
21 of the attorney general or a prosecuting attorney to bring a
22 criminal proceeding.

23 SECTION 56. Section 467.106, Government Code, is
24 transferred to Subchapter D, Chapter 51, Occupations Code,
25 redesignated as Section 51.214, Occupations Code, and amended to
26 read as follows:

27 Sec. 51.214 [467.106]. GIFT OR POLITICAL CONTRIBUTION TO

1 OFFICER OR EMPLOYEE. (a) A commission member, the executive
2 director, or an employee of the department [~~commission~~] may not
3 intentionally or knowingly accept a gift or political contribution
4 from:

5 (1) a person that has a significant financial interest
6 in the lottery;

7 (2) a person related in the first degree of
8 consanguinity or affinity to a person that has a significant
9 financial interest in the lottery;

10 (3) a person that owns more than a 10 percent interest
11 in an entity that has a significant financial interest in the
12 lottery;

13 (4) a political committee that is directly
14 established, administered, or controlled, in whole or in part, by a
15 person that has a significant financial interest in the lottery; or

16 (5) a person who, within the two years preceding the
17 date of the gift or contribution, won a lottery prize exceeding \$600
18 in amount or value.

19 (b) A person may not make a gift or political contribution
20 to a person known by the actor to be a commission member, the
21 executive director, or an employee of the department [~~commission~~],
22 if the actor:

23 (1) has a significant financial interest in the
24 lottery;

25 (2) is related in the first degree of consanguinity or
26 affinity to a person that has a significant financial interest in
27 the lottery;

1 (3) owns more than a 10 percent interest in an entity
2 that has a significant financial interest in the lottery;

3 (4) is a political committee that is directly
4 established, administered, or controlled, in whole or in part, by a
5 person that has a significant financial interest in the lottery; or

6 (5) within the two years preceding the date of the gift
7 or contribution, won a lottery prize exceeding \$600 in amount or
8 value.

9 (c) A person commits an offense if the person violates this
10 section. An offense under this section is a Class A misdemeanor.

11 SECTION 57. Section 467.107, Government Code, is
12 transferred to Subchapter D, Chapter 51, Occupations Code,
13 redesignated as Section 51.215, Occupations Code, and amended to
14 read as follows:

15 Sec. 51.215 [467.107]. GIFT OR POLITICAL CONTRIBUTION TO
16 FORMER OFFICER OR EMPLOYEE. (a) A former commission member,
17 former executive director, or former employee of the department
18 [~~commission~~] may not, before the second anniversary of the date
19 that the person's service in office or employment with the
20 department [~~commission~~] ceases, intentionally or knowingly accept
21 a gift or political contribution from:

22 (1) a person that has a significant financial interest
23 in the lottery;

24 (2) a person related in the first degree of
25 consanguinity or affinity to a person that has a significant
26 financial interest in the lottery;

27 (3) a person that owns more than a 10 percent interest

1 in an entity that has a significant financial interest in the
2 lottery;

3 (4) a political committee that is directly
4 established, administered, or controlled, in whole or in part, by a
5 person that has a significant financial interest in the lottery; or

6 (5) a person who, within the two years preceding the
7 date of the gift or contribution, won a lottery prize exceeding \$600
8 in amount or value.

9 (b) A person may not make a gift or political contribution
10 to a person known by the actor to be a former commission member,
11 former executive director, or former employee of the department
12 [~~commission~~], if the actor:

13 (1) has a significant financial interest in the
14 lottery;

15 (2) is related in the first degree of consanguinity or
16 affinity to a person that has a significant financial interest in
17 the lottery;

18 (3) owns more than a 10 percent interest in an entity
19 that has a significant financial interest in the lottery;

20 (4) is a political committee that is directly
21 established, administered, or controlled, in whole or in part, by a
22 person that has a significant financial interest in the lottery; or

23 (5) within the two years preceding the date of the gift
24 or contribution, won a lottery prize exceeding \$600 in amount or
25 value.

26 (c) A person commits an offense if the person violates this
27 section. An offense under this section is a Class A misdemeanor.

SECTION 58. Section 467.108, Government Code, is transferred to Subchapter D, Chapter 51, Occupations Code, redesignated as Section 51.216, Occupations Code, and amended to read as follows:

Sec. 51.216 [467.108]. REPRESENTATION BY FORMER OFFICER OR EMPLOYEE. (a) A former commission member or ~~7~~ former executive director ~~[, or former director]~~ may not:

(1) for compensation, represent a person that has made or intends to make a bid to operate the lottery before the department or commission before the second anniversary of the date that the person's service in office or employment with the department or commission ceases;

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

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

(b) A person commits an offense if the person violates this section. An offense under this section is a Class A misdemeanor.

SECTION 59. Subchapter D, Chapter 51, Occupations Code, is amended by adding Sections 51.217 and 51.218 to read as follows:

Sec. 51.217. LOTTERY ADVISORY COMMITTEE. (a) The commission shall establish a lottery advisory committee to provide external expertise on the lottery. The commission shall appoint to the advisory committee members who represent a balance of interests, including representatives of:

- (1) the public;
- (2) licensed sales agents;
- (3) interest groups with divergent viewpoints on the lottery and lottery operations; and
- (4) entities associated with or benefiting from the lottery's contributions to this state.

(b) In appointing advisory committee members under Subsection (a), the commission shall appoint:

- (1) one member with experience in lottery law enforcement;
- (2) one member with experience in lottery legal matters; and
- (3) one member with experience in lottery finance.

(c) A lottery advisory committee member serves at the pleasure of the commission.

(d) A lottery advisory committee member is not entitled to receive compensation or reimbursement for serving as a member.

(e) The lottery advisory committee shall:

- (1) advise the commission and department on the needs and problems of this state's lottery industry;

1 (2) provide input on proposed lottery rules during
2 development and before final adoption unless an emergency requires
3 immediate action by the commission;

4 (3) report regularly to the commission and department
5 on the advisory committee's activities;

6 (4) regularly brief the commission and department on
7 advancements and challenges in this state's lottery industry; and

8 (5) perform other duties as determined by the
9 commission or department.

10 (f) The commission shall adopt rules to govern the lottery
11 advisory committee, including rules on:

12 (1) member composition, appointment procedures, and
13 terms;

14 (2) quorum requirements for advisory committee
15 meetings;

16 (3) additional representation requirements for and
17 qualifications of advisory committee members, including experience
18 or geographic location;

19 (4) any necessary training requirements for advisory
20 committee members; and

21 (5) the method for the public to provide comments on
22 issues the advisory committee considers.

23 (g) The lottery advisory committee shall meet quarterly or
24 at the commission's or department's request.

25 (h) The commission may not adopt a rule that restricts the
26 lottery advisory committee from discussing any lottery-related
27 topic.

1 (i) Each meeting of the lottery advisory committee shall be
2 open to the public.

3 Sec. 51.218. ANNUAL REPORT. (a) The department annually
4 shall submit a report to the governor and the legislature that:

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

8 (2) includes a comprehensive business plan to guide
9 the department's major lottery initiatives that contains:

10 (A) specific goals for the department; and

11 (B) an evaluation of:

12 (i) the department's overall performance on
13 lottery operations;

14 (ii) the effectiveness of specific lottery
15 programs and initiatives;

16 (iii) the efficiency of the department's
17 lottery operations;

18 (iv) the amount of lottery revenue
19 generated for state purposes other than the payment of prizes; and

20 (v) the factors affecting the amount of
21 lottery revenue received and disbursed, including ticket sales and
22 administrative efficiency;

23 (3) addresses the trends and issues related to
24 violations of state laws under the department's lottery and bingo
25 jurisdiction identified:

26 (A) in complaints submitted under Section [51.252](#)
27 as analyzed to identify the trends and issues by alleged violation

type and to evaluate the effectiveness of the department's enforcement process; and

(B) 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) For purposes of Subsection (a)(4):

(1) the term "adjusted gross receipts" means the amount remaining after deducting prizes paid but excluding prize fees collected from bingo players; and

(2) the department shall 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

1 authorized organization to another licensed authorized
2 organization if the other organization pays rent for the premises
3 to a licensed commercial lessor.

4 SECTION 60. Section 2001.002, Occupations Code, is amended
5 by amending Subdivisions (8) and (25-a) and adding Subdivisions
6 (8-a) and (10) to read as follows:

7 (8) "Commission" means the Texas [~~Lottery~~] Commission
8 of Licensing and Regulation.

9 (8-a) "Department" means the Texas Department of
10 Licensing and Regulation.

11 (10) "Executive director" means the executive
12 director of the department.

13 (25-a) "Regular license" means a license to conduct
14 bingo issued by the department [~~commission~~] under Subchapter C that
15 is not a temporary license.

16 SECTION 61. Section 2001.003, Occupations Code, is amended
17 to read as follows:

18 Sec. 2001.003. REGULATORY FUNDING FROM LICENSE FEES AND
19 BINGO PRIZE FEES. It is the intent of the legislature that the
20 funding necessary for the administration of this chapter by the
21 department [~~commission~~] be collected by the department
22 [~~commission~~] from commercial lessor, manufacturer, and distributor
23 license fees and money paid to the department [~~commission~~] by bingo
24 players as bingo prize fees.

25 SECTION 62. The heading to Subchapter B, Chapter 2001,
26 Occupations Code, is amended to read as follows:

SUBCHAPTER B. DEPARTMENT [~~COMMISSION~~] POWERS AND DUTIES

SECTION 63. Subchapter B, Chapter 2001, Occupations Code, is amended by adding Section 2001.0501 to read as follows:

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

SECTION 64. Section 2001.053, Occupations Code, is amended to read as follows:

Sec. 2001.053. OFFICERS AND INVESTIGATORS. The department [~~commission~~] may employ officers or investigators the department [~~commission~~] considers necessary to administer this chapter.

SECTION 65. Sections 2001.056(b), (c), (d), and (e), Occupations Code, are amended to read as follows:

(b) A license holder may not use or distribute a bingo card unless the card has been approved by the department [~~commission~~].

(c) The department [~~commission~~] may set the price or adopt a schedule of prices for the sale or provision of bingo cards by a licensed authorized organization.

(d) A licensed authorized organization may not sell or provide a bingo card at a price other than a price authorized by the department [~~commission~~] or a schedule adopted by the department [~~commission~~].

(e) The commission by rule may require a licensed authorized organization to notify the department [~~commission~~] of the price for bingo cards the organization will use for one or more reporting periods.

SECTION 66. Section 2001.057, Occupations Code, is amended by amending Subsections (a), (d), (e), (f), and (g) and adding Subsection (h) to read as follows:

(a) The commission shall ~~[may]~~ appoint a bingo advisory committee consisting of nine members. The commission shall appoint members representing a balance of interests including representatives of:

- (1) the public;
- (2) charities that operate bingo games; and
- (3) commercial and charity lessors that participate in the bingo industry.

(d) A committee member is not entitled to receive compensation or reimbursement for serving as a member. ~~[A committee member is entitled to reimbursement for reasonable expenses incurred in performing duties as a member.]~~

(e) The bingo advisory committee shall ~~[may]~~:

- (1) advise the commission and department on the needs and problems of the state's bingo industry;
- (2) provide input ~~[comment]~~ on rules involving bingo during their development and before final adoption unless an emergency requires immediate action by the commission;
- (3) report regularly ~~[annually]~~ to the commission and department on the committee's activities; ~~[and]~~
- (4) regularly brief the commission and department on advancements and challenges in this state's bingo industry; and
- (5) perform other duties as determined by the commission or department.

1 (f) The bingo advisory committee shall ~~[may]~~ meet quarterly
2 or at the commission's or department's request.

3 (g) The commission shall ~~[may]~~ adopt rules:

4 (1) to govern the operations of the bingo advisory
5 committee; and

6 (2) to prohibit the committee's involvement in
7 committee member selection.

8 (h) The commission may not adopt a rule that prohibits or
9 restricts the bingo advisory committee from discussing any
10 bingo-related topic. This subsection may not be construed to
11 require action by the commission on each item submitted by the
12 committee or otherwise alter the commission's decision-making
13 authority.

14 SECTION 67. Section 2001.058, Occupations Code, is amended
15 to read as follows:

16 Sec. 2001.058. PUBLIC INFORMATION. (a) The department
17 ~~[commission]~~ shall provide to any person on request a printed copy
18 of this chapter and the rules applicable to the enforcement of this
19 chapter.

20 (b) The department ~~[commission]~~ may charge a reasonable
21 amount for a copy provided under this section.

22 SECTION 68. Sections 2001.059(b) and (f), Occupations Code,
23 are amended to read as follows:

24 (b) The commission shall respond to a request under
25 Subsection (a) not later than the later of the second commission
26 meeting or the 60th day after the date a request is received, unless
27 the commission determines that the request does not contain

sufficient facts to provide an answer on which the requestor may rely. In that event, the commission shall request additional information from the requestor not later than the 10th day after the date the request is received. If the commission requests additional information, the commission shall respond to the request not later than the later of the second commission meeting or the 60th day after the date additional information is received pursuant to the request for additional information.

(f) The commission may delegate all or part of the authority and procedures for issuing advisory opinions under this section to an employee of the department [~~commission~~].

SECTION 69. Section 2001.152, Occupations Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Notwithstanding Subsection (a) and subject to Subsection (c), 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 may renew the license.

(c) The commission may place an administrative hold on the license of a licensed commercial lessor described by Subsection (b) for a period the commission determines not to exceed 10 years. If the administrative hold on the license remains on the last day of that period:

(1) the commission shall remove the administrative hold; and

(2) the lessor is not eligible to renew the license as

1 a continuous license holder under Subsection (b).

2 SECTION 70. Section 2001.407, Occupations Code, is amended
3 by amending Subsection (c) and adding Subsections (c-1), (c-2),
4 (c-3), and (c-4) to read as follows:

5 (c) Except as provided by Subsection (c-1), a [A] licensed
6 distributor may not receive by purchase or otherwise bingo
7 equipment or supplies from a person other than a licensed
8 manufacturer or another licensed distributor.

9 (c-1) A licensed distributor may receive bingo equipment or
10 supplies from a licensed authorized organization if:

11 (1) the distributor delivered the equipment or
12 supplies to the organization; and

13 (2) the equipment or supplies were:

14 (A) defective;

15 (B) not ordered by the organization; or

16 (C) delivered in a quantity that exceeds the
17 quantity the organization ordered.

18 (c-2) A licensed authorized organization that returns bingo
19 equipment or supplies to the licensed distributor as provided by
20 Subsection (c-1) shall:

21 (1) maintain a record specifying for each returned
22 equipment or supply:

23 (A) a reason for the return from the reasons
24 listed in Subsection (c-1)(2); and

25 (B) the quantity returned; and

26 (2) provide a copy of the record to the distributor.

27 (c-3) A licensed distributor that receives returned

1 equipment or supplies from a licensed authorized organization as
2 provided by Subsection (c-1) shall:

3 (1) maintain a record showing receipt of the returned
4 equipment or supplies; and

5 (2) provide a copy of the record to the organization.

6 (c-4) A licensed authorized organization may transfer a
7 card-minding device from the premises of the organization to the
8 premises of another licensed authorized organization if each
9 licensed authorized organization agrees to the transfer.

10 SECTION 71. Sections 2001.451(h) and (j), Occupations Code,
11 are amended to read as follows:

12 (h) Except as provided by Subsection (j), a licensed
13 authorized organization or a unit of licensed authorized
14 organizations may retain operating capital in the organization's or
15 unit's bingo account in an amount that:

16 (1) is equal to the organization's or unit's actual
17 average bingo expenses per quarter based on the preceding license
18 period, excluding prizes paid; and

19 (2) does not exceed a total of \$100,000 [~~\$50,000~~] for a
20 single organization or \$100,000 [~~\$50,000~~] for each member of a unit
21 unless:

22 (A) the commission by rule establishes a higher
23 amount for all organizations or units or one or more classes of
24 organizations or units; or

25 (B) the bingo operations director, on request,
26 raises the operating capital limit for one organization or unit as
27 necessary to facilitate the operation of the organization or unit.

(j) The commission shall adopt rules allowing a licensed authorized organization to retain a maximum amount of operating capital in the bingo account in excess of the amount provided by Subsection (h) if the organization:

(1) has conducted bingo for less than one year;

(2) has been closed for at least six months;

(3) experiences circumstances beyond the control of the organization, including force majeure, that necessitate an increase in operating capital; or

(4) ~~[(3)]~~ provides to the commission a credible business plan for the conduct of bingo or for the organization's existing or planned charitable purposes that an increase in operating capital will reasonably further.

SECTION 72. Section 2001.557, Occupations Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The department ~~[commission]~~, its officers or agents, or a state, municipal, or county peace officer may enter and inspect the contents of premises where:

(1) bingo is being conducted or intended to be conducted; or

(2) equipment used or intended for use in bingo is found.

(c) In developing and implementing a policy or procedure under Subsection (b), the commission shall consult with the bingo advisory committee established under Section 2001.057 to collaboratively define and implement specific fiscal

1 accountability criteria for inspections of premises.

2 SECTION 73. Sections 2001.560(c), (c-1), (c-2), and (e),
3 Occupations Code, are amended to read as follows:

4 (c) The department [~~commission~~] or a person authorized in
5 writing by the department [~~commission~~] may examine the books,
6 papers, records, equipment, and place of business of a license
7 holder and may investigate the character of the license holder's
8 business to verify the accuracy of a return, statement, or report
9 made, or, if no return is made by the license holder, to ascertain
10 and determine the amount required to be paid.

11 (c-1) The commission by rule shall develop a policy for
12 auditing license holders. The department [~~bingo division~~] shall
13 use audit risk analysis procedures established by the commission
14 to:

15 (1) annually identify the [~~which~~] license holders
16 [~~are~~] most at risk of violating this chapter or rules adopted under
17 this chapter, including consideration of license holder compliance
18 history in the identification; and

19 (2) develop a plan for auditing the identified license
20 holders that includes:

21 (A) a schedule for the audits of the identified
22 license holders;

23 (B) procedures to annually update the plan based
24 on successive risk analyses; and

25 (C) a completion date for each audit that is not
26 later than the fifth anniversary of the date the license holder was
27 identified as a candidate for audit.

(c-2) The department [~~bingo division~~] shall provide to the commission a copy of the auditing plan developed under Subsection (c-1).

(e) If the department [~~commission~~] determines that a person is not complying with this chapter, the department [~~commission~~] shall notify the attorney general and the governing body of the appropriate political subdivision.

SECTION 74. Section 47.09(a), Penal Code, is amended to read as follows:

(a) It is a defense to prosecution under this chapter that the conduct:

(1) was authorized under:

(A) Chapter 2001, Occupations Code;

(B) Chapter 2002, Occupations Code;

(C) Chapter 2004, Occupations Code;

(D) Subtitle A-1, Title 13, Occupations Code (Texas Racing Act); or

(E) Chapter 280, Finance Code;

(2) consisted entirely of participation in the state lottery authorized by Chapter 466, Government Code; or

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

(A) Chapter 466, Government Code;

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

[~~(C)~~] the Texas Department of Licensing and Regulation [~~Lottery Commission~~]; or

1 (C) [~~(D)~~] the executive director of [~~the lottery~~
2 ~~division of~~] the Texas Department of Licensing and Regulation
3 ~~[Lottery Commission]~~.

4 SECTION 75. Section 721.003(a), Transportation Code, is
5 amended to read as follows:

6 (a) The governing bodies of the following state agencies or
7 divisions by rule may exempt from the requirements of Section
8 721.002 a motor vehicle that is under the control and custody of the
9 agency or division:

- 10 (1) Texas Commission on Fire Protection;
- 11 (2) Texas State Board of Pharmacy;
- 12 (3) Department of State Health Services [~~and~~
13 ~~Department of Aging and Disability Services~~];
- 14 (4) Department of Public Safety of the State of Texas;
- 15 (5) Texas Department of Criminal Justice;
- 16 (6) Board of Pardons and Paroles;
- 17 (7) Parks and Wildlife Department;
- 18 (8) Railroad Commission of Texas;
- 19 (9) Texas Alcoholic Beverage Commission;
- 20 (10) Texas Department of Banking;
- 21 (11) Department of Savings and Mortgage Lending;
- 22 (12) Texas Juvenile Justice Department;
- 23 (13) Texas Commission on Environmental Quality;
- 24 (14) Texas Department of Licensing and Regulation
25 ~~[Lottery Commission]~~;
- 26 (15) the office of the attorney general;
- 27 (16) Texas Department of Insurance;

(17) Texas Military Department; and

(18) an agency that receives an appropriation under an article of the General Appropriations Act that appropriates money to the legislature.

SECTION 76. The following provisions are repealed:

(1) Section 232.0021, Family Code;

(2) Section 411.108, Government Code;

(3) Section 466.012, Government Code;

(4) Section 466.016, Government Code;

(5) Section 466.020(b), Government Code;

(6) Section 466.028, Government Code;

(7) Sections 467.001(1) and (2), Government Code;

(8) the heading to Section 467.001, Government Code;

(9) Section 467.002, Government Code;

(10) Section 467.021, Government Code;

(11) Section 467.022, Government Code;

(12) Section 467.023, Government Code;

(13) Section 467.024, Government Code;

(14) Section 467.0255, Government Code;

(15) Section 467.026, Government Code;

(16) Section 467.027, Government Code;

(17) Section 467.028, Government Code;

(18) Section 467.029, Government Code;

(19) Section 467.030, Government Code;

(20) Section 467.031, Government Code;

(21) Section 467.032, Government Code;

(22) Section 467.033, Government Code;

- 1 (23) Section 467.034, Government Code;
- 2 (24) Section 467.035, Government Code;
- 3 (25) Section 467.037, Government Code;
- 4 (26) Section 467.102, Government Code;
- 5 (27) Section 467.103, Government Code;
- 6 (28) Section 467.109, Government Code;
- 7 (29) Section 467.110, Government Code;
- 8 (30) Section 467.111, Government Code;
- 9 (31) the headings to Subchapters A, B, and C, Chapter
- 10 467, Government Code;
- 11 (32) the heading to Chapter 467, Government Code;
- 12 (33) Section 2001.051, Occupations Code;
- 13 (34) Section 2001.052, Occupations Code;
- 14 (35) Section 2001.060, Occupations Code;
- 15 (36) Section 2001.061, Occupations Code;
- 16 (37) Section 2001.307, Occupations Code; and
- 17 (38) Section 721.003(e), Transportation Code.

18 SECTION 77. (a) On September 1, 2025:

19 (1) all functions and activities performed by the

20 Texas Lottery Commission relating to the state lottery under

21 Chapter 466, Government Code, and the regulation of bingo

22 operations under Chapter 2001, Occupations Code, immediately

23 before that date are transferred to the Texas Commission of

24 Licensing and Regulation or the Texas Department of Licensing and

25 Regulation, as applicable;

26 (2) a rule, policy, procedure, decision, or form

27 adopted by the Texas Lottery Commission relating to Chapter 466 or

1 467, Government Code, or Chapter 2001, Occupations Code, is a rule,
2 policy, procedure, decision, or form of the Texas Commission of
3 Licensing and Regulation or the Texas Department of Licensing and
4 Regulation, as applicable, and remains in effect until amended or
5 repealed by that commission or department unless the rule, policy,
6 procedure, decision, or form conflicts with the changes in law made
7 by this Act;

8 (3) unless the context clearly indicates otherwise, a
9 reference to the Texas Lottery Commission in a law or
10 administrative rule that relates to Chapter 466 or 467, Government
11 Code, or Chapter 2001, Occupations Code, means the Texas Commission
12 of Licensing and Regulation or the Texas Department of Licensing
13 and Regulation, as applicable;

14 (4) a complaint, investigation, or other proceeding
15 before the Texas Lottery Commission that is related to Chapter 466
16 or 467, Government Code, or Chapter 2001, Occupations Code, is
17 transferred without change in status to the Texas Department of
18 Licensing and Regulation, and the Texas Department of Licensing and
19 Regulation assumes, as appropriate and without a change in status,
20 the position of the Texas Lottery Commission in an action or
21 proceeding to which the Texas Lottery Commission is a party;

22 (5) a license, permit, certification, or registration
23 in effect that was issued by the Texas Lottery Commission under
24 Chapter 466 or 467, Government Code, or Chapter 2001, Occupations
25 Code, is continued in effect as a license, permit, certification,
26 or registration of the Texas Department of Licensing and
27 Regulation;

1 (6) all money, contracts, leases, property, and
2 obligations of the Texas Lottery Commission relating to Chapter 466
3 or 467, Government Code, or Chapter 2001, Occupations Code, are
4 transferred to the Texas Department of Licensing and Regulation;
5 and

6 (7) the unexpended and unobligated balance of any
7 money appropriated by the legislature for the Texas Lottery
8 Commission related to Chapter 466 or 467, Government Code, or
9 Chapter 2001, Occupations Code, is transferred to the Texas
10 Department of Licensing and Regulation.

11 (b) On the effective date of this Act, the Texas Lottery
12 Commission shall grant the Texas Department of Licensing and
13 Regulation access to:

14 (1) all licensing, enforcement, and examination
15 software or computer systems used by the Texas Lottery Commission
16 in administering or enforcing Chapter 466 or 467, Government Code,
17 or Chapter 2001, Occupations Code; and

18 (2) the uniform statewide accounting system, the state
19 property accounting system, the uniform statewide payroll system,
20 and the human resources information system for the Texas Lottery
21 Commission.

22 (c) On the effective date of this Act, the Texas Lottery
23 Commission shall agree with the Texas Department of Licensing and
24 Regulation to transfer any property of the Texas Lottery Commission
25 to the Texas Department of Licensing and Regulation to implement
26 the transfers required by this Act.

27 (d) The Texas Department of Licensing and Regulation and the

1 Texas Lottery Commission shall coordinate implementation of this
2 section. The Texas Lottery Commission shall cooperate with the
3 Texas Department of Licensing and Regulation in transferring all
4 data and records necessary to implement the transfers required by
5 this Act.

6 (e) Not later than December 1, 2025, the Texas Lottery
7 Commission and the Texas Department of Licensing and Regulation
8 shall develop and enter into a memorandum of understanding
9 regarding the transfers required by this Act. The memorandum must
10 include a transition plan with a timetable and specific steps and
11 deadlines required to complete the transfer.

12 (f) Not later than December 1, 2025, a manufacturer of bingo
13 equipment or supplies that submitted to the Texas Lottery
14 Commission a bond as required under Section [2001.204](#), Occupations
15 Code, before September 1, 2025, that is in effect on the effective
16 date of this Act must amend the bond to name the Texas Department of
17 Licensing and Regulation as the payee for the bond.

18 SECTION 78. The changes in law made by this Act to Chapter
19 [2001](#), Occupations Code, apply only to a tax or fee charged on or
20 after September 1, 2025. A tax or fee charged before September 1,
21 2025, is governed by the law in effect immediately before that date,
22 and the former law is continued in effect for that purpose.

23 SECTION 79. (a) The change in law made by this Act applies
24 only to an offense committed on or after the effective date of this
25 Act. An offense committed before the effective date of this Act is
26 governed by the law in effect on the date the offense was committed,
27 and the former law is continued in effect for that purpose. For

1 purposes of this section, an offense was committed before the
2 effective date of this Act if any element of the offense occurred
3 before that date.

4 (b) Section 2001.152, Occupations Code, as amended by this
5 Act, applies to a license placed on an administrative hold on or
6 after the effective date of this Act. A license placed on
7 administrative hold before the effective date of this Act may
8 continue on hold for a period not to exceed 10 years from the
9 effective date of this Act as determined by the Texas Commission of
10 Licensing and Regulation.

11 SECTION 80. As soon as practicable after the effective date
12 of this Act, the Texas Commission of Licensing and Regulation shall
13 adopt rules necessary to implement this Act.

14 SECTION 81. On September 1, 2025, all full-time equivalent
15 employee positions at the Texas Lottery Commission become positions
16 at the Texas Department of Licensing and Regulation.

17 SECTION 82. (a) Not later than December 1, 2025, the Texas
18 Department of Licensing and Regulation shall initiate an
19 independent review of each existing contract of the Texas Lottery
20 Commission relating to Chapter 466 or 467, Government Code, or
21 Chapter 2001, Occupations Code, to determine whether to renew,
22 amend, or terminate the contract.

23 (b) Not later than September 1, 2026, the Texas Department
24 of Licensing and Regulation shall amend the existing contract for
25 lottery operations and services to extend the contract term for not
26 more than two years beyond the expiration date of the contract.

27 SECTION 83. As soon as practicable after the effective date

of this Act, the Texas Commission of Licensing and Regulation shall:

(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; and

(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.

SECTION 84. Not later than December 1, 2026, the Texas Department of Licensing and Regulation shall submit to the Sunset Advisory Commission 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 85. Not later than December 1, 2026, the Texas Department of Licensing and Regulation shall submit the first annual report required by Section 51.218, Occupations Code, as added by this Act.

SECTION 86. Not later than August 31, 2028, the State Auditor's Office shall complete the first annual audit required by Section 466.0171, Government Code, as added by this Act.

SECTION 87. Unless otherwise provided by this Act, the changes in law made by this Act apply beginning September 1, 2025.

SECTION 88. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each

S.B. No. 3070

1 house, as provided by Section 39, Article III, Texas Constitution.
2 If this Act does not receive the vote necessary for immediate
3 effect, this Act takes effect September 1, 2025.

<hr/> <p>President of the Senate</p>	<hr/> <p>Speaker of the House</p>
<p>I hereby certify that S.B. No. 3070 passed the Senate on May 15, 2025, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 30, 2025, by the following vote: Yeas 31, Nays 0.</p>	

	<hr/> <p>Secretary of the Senate</p>
<p>I hereby certify that S.B. No. 3070 passed the House, with amendments, on May 26, 2025, by the following vote: Yeas 112, Nays 27, one present not voting.</p>	

	<hr/> <p>Chief Clerk of the House</p>
<p>Approved:</p>	
<hr/>	
<p>Date</p>	
<hr/>	
<p>Governor</p>	