

1-1 By: Hall S.B. No. 3070  
 1-2 (In the Senate - Filed May 12, 2025; May 12, 2025, read  
 1-3 first time and referred to Committee on State Affairs;  
 1-4 May 15, 2025, reported favorably by the following vote: Yeas 10,  
 1-5 Nays 0; May 15, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17			X	
1-18	X			

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the abolishment of the Texas Lottery Commission and the  
 1-22 transfer of the administration of the state lottery and the  
 1-23 licensing and regulation of charitable bingo to the Texas  
 1-24 Commission of Licensing and Regulation; creating a criminal  
 1-25 offense.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. Section 411.093(a), Government Code, is amended  
 1-28 to read as follows:

1-29 (a) The Texas Department of Licensing and Regulation is  
 1-30 entitled to obtain criminal history record information as provided  
 1-31 by Subsection (b) that relates to:

1-32 (1) an applicant for or the holder of:

1-33 (A) a driver education instructor license under  
 1-34 Chapter 1001, Education Code;

1-35 (B) a license under Chapter 466;

1-36 (C) a license under Chapter 202, Occupations  
 1-37 Code;

1-38 (D) [~~(C)~~] a license under Chapter 401,  
 1-39 Occupations Code;

1-40 (E) [~~(D)~~] a license under Chapter 402,  
 1-41 Occupations Code; [~~or~~]

1-42 (F) a license under Chapter 2001, Occupations  
 1-43 Code; or

1-44 (G) [~~(E)~~] an instructor license or motorcycle  
 1-45 school license under Chapter 662, Transportation Code;

1-46 (2) a person who is:

1-47 (A) an applicant for or the holder of a license  
 1-48 under Chapter 91, Labor Code; or

1-49 (B) a controlling person, as defined by Chapter  
 1-50 91, Labor Code, of an entity described by Paragraph (A); or

1-51 (3) a person who:

1-52 (A) is an applicant for or the holder of a license  
 1-53 under Chapter 455, Occupations Code; or

1-54 (B) has an interest described under Section  
 1-55 455.1525(e), Occupations Code, in an entity described by Paragraph  
 1-56 (A).

1-57 SECTION 2. Section 411.467(d), Government Code, is amended  
 1-58 to read as follows:

1-59 (d) The department shall also send the alert to:

1-60 (1) any appropriate law enforcement agency;

1-61 (2) the Texas Department of Transportation;

2-1 (3) the Texas Department of Licensing and Regulation  
2-2 [~~Lottery Commission~~]; and

2-3 (4) the Independent Bankers Association of Texas.

2-4 SECTION 3. Sections 466.002(1), (3), and (4), Government  
2-5 Code, are amended to read as follows:

2-6 (1) "Commission" means the Texas [~~Lottery~~] Commission  
2-7 of Licensing and Regulation.

2-8 (3) "Department" or "division [~~Division~~]" means the  
2-9 Texas Department of Licensing and Regulation [~~lottery division~~  
2-10 ~~established by the commission under Chapter 467~~].

2-11 (4) "Director" or "executive [~~Executive~~] director"  
2-12 means the executive director of the department [~~commission~~].

2-13 SECTION 4. Subchapter A, Chapter 466, Government Code, is  
2-14 amended by adding Section 466.005 to read as follows:

2-15 Sec. 466.005. LIMITED-SCOPE SUNSET REVIEW OF STATE LOTTERY.  
2-16 The Sunset Advisory Commission shall conduct a limited-scope review  
2-17 of the state lottery during the state fiscal biennium ending August  
2-18 31, 2027, in the manner provided by Chapter 325 (Texas Sunset Act).  
2-19 The review must provide an evaluation and recommendations regarding  
2-20 the continuation of the state lottery. Unless continued in  
2-21 existence, the state lottery is abolished and this chapter expires  
2-22 September 1, 2027.

2-23 SECTION 5. The heading to Section 466.014, Government Code,  
2-24 is amended to read as follows:

2-25 Sec. 466.014. POWERS AND DUTIES OF DEPARTMENT [~~COMMISSION~~]  
2-26 AND EXECUTIVE DIRECTOR.

2-27 SECTION 6. Sections 466.014(a) and (d), Government Code,  
2-28 are amended to read as follows:

2-29 (a) The department [~~commission~~] and executive director have  
2-30 broad authority and shall exercise strict control and close  
2-31 supervision over all lottery games conducted in this state to  
2-32 promote and ensure integrity, security, honesty, and fairness in  
2-33 the operation and administration of the lottery.

2-34 (d) A contract between the department [~~division~~] and a  
2-35 lottery operator under Subsection (b) must contain a provision  
2-36 allowing the contract to be terminated without penalty if the  
2-37 department [~~division~~] is abolished.

2-38 SECTION 7. Section 466.015(b), Government Code, is amended  
2-39 to read as follows:

2-40 (b) The commission shall adopt rules to the extent they are  
2-41 not inconsistent with Chapters 551 and 552 governing the:

2-42 (1) security for the lottery and the commission,  
2-43 including the development of an internal security plan;

2-44 (2) apportionment of the total revenues from the sale  
2-45 of tickets and from all other sources in the amounts provided by  
2-46 this chapter;

2-47 (3) enforcement of prohibitions on the sale of tickets  
2-48 to or by an individual younger than 18 years of age; and

2-49 (4) enforcement of prohibitions on a person playing or  
2-50 facilitating the play of a lottery game by telephone or through an  
2-51 Internet application or mobile Internet application in violation of  
2-52 Section 466.318.

2-53 SECTION 8. Section 466.018, Government Code, is amended to  
2-54 read as follows:

2-55 Sec. 466.018. INVESTIGATIONS. The attorney general, the  
2-56 district attorney for Travis County, or the district attorney,  
2-57 criminal district attorney, or county attorney performing the  
2-58 duties of district attorney for the county in which the violation or  
2-59 alleged violation occurred may investigate a violation or alleged  
2-60 violation of this chapter and of the penal laws of this state by the  
2-61 department [~~commission~~] or its employees, a sales agent, a lottery  
2-62 vendor, or a lottery operator.

2-63 SECTION 9. Section 466.019, Government Code, is amended to  
2-64 read as follows:

2-65 Sec. 466.019. ENFORCEMENT. (a) The executive director or  
2-66 designated personnel of the department [~~commission~~] may  
2-67 investigate violations of this chapter and violations of the rules  
2-68 adopted under this chapter. After conducting investigations, the  
2-69 executive director, a person designated by the department

3-1 [~~commission~~], or any law enforcement agency may file a complaint  
3-2 with the district attorney of Travis County or with the district  
3-3 attorney of the county in which a violation is alleged to have  
3-4 occurred.

3-5 (b) The executive director has the administrative,  
3-6 enforcement, and collection powers provided by Subtitle B, Title 2,  
3-7 Tax Code, in regard to the lottery. For purposes of the application  
3-8 of Title 2 of the Tax Code:

3-9 (1) the state's share of proceeds from the sale of  
3-10 lottery tickets is treated as if it were a tax; and

3-11 (2) a power granted to the comptroller may be  
3-12 exercised by the department [~~commission~~].

3-13 SECTION 10. Sections 466.020(a) and (d), Government Code,  
3-14 are amended to read as follows:

3-15 (a) The executive director shall maintain a department of  
3-16 security within the financial crimes intelligence center  
3-17 established under Chapter 2312, Occupations Code [~~in the~~  
3-18 ~~commission~~]. The executive director shall appoint a deputy to  
3-19 administer the department of security. The deputy must be  
3-20 qualified by training and experience in law enforcement or security  
3-21 to supervise, direct, and administer the activities of the  
3-22 department of security.

3-23 (d) The Department of Public Safety, at the department's  
3-24 [~~commission's~~] request, shall perform a full criminal background  
3-25 investigation of a prospective deputy or investigator of the  
3-26 department of security. The department [~~commission~~] shall  
3-27 reimburse the Department of Public Safety for the actual costs of an  
3-28 investigation.

3-29 SECTION 11. Section 466.022, Government Code, is amended to  
3-30 read as follows:

3-31 Sec. 466.022. CONFIDENTIAL INFORMATION. (a) Except as  
3-32 otherwise provided by law, all department [~~commission~~] records are  
3-33 subject to public inspection in accordance with Chapter 552.

3-34 (b) In addition to department [~~commission~~] records excepted  
3-35 from disclosure under Chapter 552, the following information is  
3-36 confidential and is exempt from disclosure:

3-37 (1) security plans and procedures of the department  
3-38 [~~commission~~] designed to ensure the integrity and security of the  
3-39 operation of the lottery;

3-40 (2) information of a nature that is designed to ensure  
3-41 the integrity and security of the selection of winning tickets or  
3-42 numbers in the lottery, other than information describing the  
3-43 general procedures for selecting winning tickets or numbers;

3-44 (3) the street address and telephone number of a prize  
3-45 winner, if the prize winner has not consented to the release of the  
3-46 information; and

3-47 (4) except as otherwise authorized by Section 466.411,  
3-48 all personally identifiable information of a natural person who is:

3-49 (A) a lottery prize winner and who has chosen to  
3-50 remain anonymous under Section 466.411; or

3-51 (B) an owner of a beneficial interest in a legal  
3-52 entity that is a lottery prize winner and who has chosen to remain  
3-53 anonymous under Section 466.411.

3-54 SECTION 12. Section 466.023(b), Government Code, is amended  
3-55 to read as follows:

3-56 (b) An investigation report or other document submitted by  
3-57 the Department of Public Safety to the department [~~commission~~]  
3-58 becomes part of the investigative files of the department  
3-59 [~~commission~~] and is subject to discovery by a person that is the  
3-60 subject of the investigation report or other document.

3-61 SECTION 13. Section 466.026, Government Code, is amended to  
3-62 read as follows:

3-63 Sec. 466.026. AMBER ALERT. On receipt of notice by the  
3-64 Department of Public Safety that the Statewide Texas Amber Alert  
3-65 Network has been activated, the department [~~commission~~] shall  
3-66 disseminate Amber Alert information at its retail locations through  
3-67 the lottery operator system.

3-68 SECTION 14. Sections 466.027(a), (b), (c), and (d),  
3-69 Government Code, are amended to read as follows:

4-1 (a) The department [~~commission~~] shall operate an  
 4-2 instant-ticket lottery game to benefit the fund for veterans'  
 4-3 assistance established by Section 434.017.

4-4 (b) The department [~~commission~~] shall:

4-5 (1) determine the ticket price, payout amounts, and  
 4-6 manner in which the game is conducted;

4-7 (2) make tickets to the game available for sale  
 4-8 continuously to the extent practicable; and

4-9 (3) change the design or theme of the game regularly to  
 4-10 ensure that the game remains competitive with other instant-ticket  
 4-11 lottery games offered by the department [~~commission~~].

4-12 (c) The department [~~commission~~] shall market and advertise  
 4-13 the lottery game operated under this section in a manner intended to  
 4-14 inform the public that the game tickets are available for purchase  
 4-15 and that the game proceeds are used to fund veterans programs in  
 4-16 this state. The game tickets must clearly state that the game  
 4-17 proceeds are used to benefit the veterans in this state. The Texas  
 4-18 Veterans Commission may make recommendations to the department  
 4-19 [~~Texas Lottery Commission~~] relating to the marketing and  
 4-20 advertising of the game.

4-21 (d) The department [~~commission~~] shall encourage each sales  
 4-22 agent that sells tickets to instant-ticket games or similar types  
 4-23 of lottery games to sell tickets to the game operated under this  
 4-24 section.

4-25 SECTION 15. Section 466.105(b), Government Code, is amended  
 4-26 to read as follows:

4-27 (b) Notwithstanding the provisions of Title 2, Utilities  
 4-28 Code, the department [~~commission~~] may negotiate rates and execute  
 4-29 contracts with telecommunications service providers for the  
 4-30 interexchange services necessary for the operation of the  
 4-31 lottery. The department [~~commission~~] may acquire transmission  
 4-32 facilities by lease, purchase, or lease-purchase. The acquisition  
 4-33 of transmission facilities must be done on a competitive bid basis  
 4-34 if possible.

4-35 SECTION 16. Section 466.106(a), Government Code, is amended  
 4-36 to read as follows:

4-37 (a) In all contracts for lottery equipment, supplies,  
 4-38 services, and advertising, the department [~~commission~~] and each  
 4-39 lottery operator shall give preference to equipment or supplies  
 4-40 produced in this state or services or advertising offered by  
 4-41 bidders from this state, the cost to the state and quality being  
 4-42 equal.

4-43 SECTION 17. Sections 466.107(a) and (c), Government Code,  
 4-44 are amended to read as follows:

4-45 (a) The executive director and each lottery operator shall  
 4-46 take positive steps to:

4-47 (1) inform minority businesses of opportunities to:

4-48 (A) provide lottery equipment and supplies to the  
 4-49 department [~~commission~~];

4-50 (B) provide services, including advertising, to  
 4-51 the department [~~commission~~] for the operation of the lottery; or

4-52 (C) obtain a license to sell lottery tickets;

4-53 (2) waive or modify bond requirements, if feasible;

4-54 (3) award contracts for lottery equipment or supplies  
 4-55 to minority businesses when possible;

4-56 (4) award contracts for lottery services, including  
 4-57 advertising, to minority businesses when possible;

4-58 (5) license minority businesses as sales agents;

4-59 (6) monitor the effectiveness of the efforts to  
 4-60 increase the ability of minority businesses to do business with the  
 4-61 department [~~commission~~]; and

4-62 (7) require all bidders or contractors, when  
 4-63 appropriate, to include specific plans or arrangements to use  
 4-64 subcontracts with minority businesses.

4-65 (c) The department [~~commission~~] shall annually report to  
 4-66 the legislature and the governor on the level of minority business  
 4-67 participation as pertains to both the department's [~~commission's~~]  
 4-68 contracts and the licensing of sales agents. The report must  
 4-69 include recommendations for the improvement of minority business

5-1 opportunities in lottery-related business.

5-2 SECTION 18. Section 466.108, Government Code, is amended to  
5-3 read as follows:

5-4 Sec. 466.108. TELEVISION CONTRACTS. If the drawing or  
5-5 selection of winning tickets is televised under a contract with the  
5-6 department [~~commission~~], the contract must be awarded by  
5-7 competitive bid. The department [~~commission~~] shall adopt rules  
5-8 governing the competitive bidding process. Money received under  
5-9 the contract shall be deposited in the state lottery account  
5-10 established under Section 466.355.

5-11 SECTION 19. Section 466.109, Government Code, is amended to  
5-12 read as follows:

5-13 Sec. 466.109. PUBLICITY OF INDIVIDUALS PROHIBITED. (a) A  
5-14 state officer, including a commission member or the executive  
5-15 director, or an officer or employee of the department [~~commission~~],  
5-16 may not appear in an advertisement or promotion for the lottery that  
5-17 is sponsored by the department [~~commission~~] or in a televised  
5-18 lottery drawing. An advertisement or promotion for the lottery may  
5-19 not contain the likeness or name of a state officer, including a  
5-20 commission member or the executive director, or an officer or  
5-21 employee of the department [~~commission~~].

5-22 (b) In connection with providing security for the lottery,  
5-23 this section does not prohibit a security officer or investigator  
5-24 employed by the department [~~commission~~] from appearing in a  
5-25 televised lottery drawing or other promotion for the lottery that  
5-26 is sponsored by the department [~~commission~~].

5-27 (c) Notwithstanding this section, the executive director  
5-28 may designate an employee of the department [~~commission~~] to  
5-29 participate in a promotional event.

5-30 SECTION 20. Section 466.110, Government Code, is amended to  
5-31 read as follows:

5-32 Sec. 466.110. PROHIBITED ADVERTISEMENTS. The legislature  
5-33 intends that advertisements or promotions sponsored by the  
5-34 department [~~commission or the division~~] for the lottery not be of a  
5-35 nature that unduly influences any person to purchase a lottery  
5-36 ticket or number.

5-37 SECTION 21. Section 466.151(a), Government Code, is amended  
5-38 to read as follows:

5-39 (a) If the executive director authorizes a person who is not  
5-40 an employee of the department [~~commission~~] to sell tickets, the  
5-41 person must be licensed as a sales agent by the department  
5-42 [~~commission~~].

5-43 SECTION 22. Sections 466.155(a), (b), (e), and (f),  
5-44 Government Code, are amended to read as follows:

5-45 (a) After a hearing, the executive director shall deny an  
5-46 application for a license or the department [~~commission~~] shall  
5-47 suspend or revoke a license if the executive director or department  
5-48 [~~commission~~], as applicable, finds that the applicant or sales  
5-49 agent:

5-50 (1) is an individual who:

5-51 (A) has been convicted of a felony, criminal  
5-52 fraud, gambling or a gambling-related offense, or a misdemeanor  
5-53 involving moral turpitude, if less than 10 years has elapsed since  
5-54 the termination of the sentence, parole, mandatory supervision, or  
5-55 probation served for the offense;

5-56 (B) is or has been a professional gambler;

5-57 (C) is married to an individual:

5-58 (i) described in Paragraph (A) or (B); or

5-59 (ii) who is currently delinquent in the  
5-60 payment of any state tax;

5-61 (D) is an officer or employee of the department  
5-62 [~~commission~~] or a lottery operator; or

5-63 (E) is a spouse, child, brother, sister, or  
5-64 parent residing as a member of the same household in the principal  
5-65 place of residence of a person described by Paragraph (D);

5-66 (2) is not an individual, and an individual described  
5-67 in Subdivision (1):

5-68 (A) is an officer or director of the applicant or  
5-69 sales agent;

6-1 (B) holds more than 10 percent of the stock in the  
6-2 applicant or sales agent;  
6-3 (C) holds an equitable interest greater than 10  
6-4 percent in the applicant or sales agent;  
6-5 (D) is a creditor of the applicant or sales agent  
6-6 who holds more than 10 percent of the applicant's or sales agent's  
6-7 outstanding debt;  
6-8 (E) is the owner or lessee of a business that the  
6-9 applicant or sales agent conducts or through which the applicant  
6-10 will conduct a ticket sales agency;  
6-11 (F) shares or will share in the profits, other  
6-12 than stock dividends, of the applicant or sales agent; or  
6-13 (G) participates in managing the affairs of the  
6-14 applicant or sales agent;  
6-15 (3) has been finally determined to be delinquent in  
6-16 the payment of a tax or other money collected by the comptroller,  
6-17 the Texas Workforce Commission, or the Texas Alcoholic Beverage  
6-18 Commission;  
6-19 (4) is a person whose location for the sales agency is:  
6-20 (A) a location licensed for games of bingo under  
6-21 Chapter 2001, Occupations Code;  
6-22 (B) on land that is owned by:  
6-23 (i) this state; or  
6-24 (ii) a political subdivision of this state  
6-25 and on which is located a public primary or secondary school, an  
6-26 institution of higher education, or an agency of the state; or  
6-27 (C) a location for which a person holds a wine and  
6-28 malt beverage retailer's permit, mixed beverage permit, mixed  
6-29 beverage permit with a retailer late hours certificate, private  
6-30 club registration permit, or private club registration permit with  
6-31 a retailer late hours certificate issued under Chapter 25, 28, 29,  
6-32 or 32, Alcoholic Beverage Code, other than a location for which a  
6-33 person holds a wine and malt beverage retailer's permit issued  
6-34 under Chapter 25, Alcoholic Beverage Code, that derives less than  
6-35 30 percent of the location's gross receipts from the sale or service  
6-36 of alcoholic beverages; or  
6-37 (5) has violated this chapter or a rule adopted under  
6-38 this chapter.  
6-39 (b) If the executive director proposes to deny an  
6-40 application for a license or the department [~~commission~~] proposes  
6-41 to suspend or revoke a license under this section, the applicant or  
6-42 sales agent is entitled to written notice of the time and place of  
6-43 the hearing. A notice may be served on an applicant or sales agent  
6-44 personally or sent by certified or registered mail, return receipt  
6-45 requested, to the person's mailing address as it appears on the  
6-46 department's [~~commission's~~] records. A notice must be served or  
6-47 mailed not later than the 20th day before the date of the hearing.  
6-48 The department [~~commission~~] shall provide for a formal  
6-49 administrative hearings process.  
6-50 (e) The executive director may not issue a license to a  
6-51 person who has previously had a license under this chapter revoked  
6-52 unless the executive director is satisfied the person will comply  
6-53 with this chapter and the rules adopted under this chapter. The  
6-54 executive director may prescribe the terms under which a suspended  
6-55 license will be reissued.  
6-56 (f) The executive director may not issue a license to an  
6-57 applicant who fails to certify to the executive director the  
6-58 applicant's compliance with the federal Americans with  
6-59 Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.).  
6-60 SECTION 23. Sections 466.160(a), (b), and (d), Government  
6-61 Code, are amended to read as follows:  
6-62 (a) The department [~~commission~~] may suspend a sales agent's  
6-63 license summarily without notice or hearing if the department  
6-64 [~~commission~~] finds that the action is necessary to maintain the  
6-65 integrity, security, honesty, or fairness of the operation or  
6-66 administration of the lottery or to prevent financial loss to the  
6-67 state and:  
6-68 (1) the sales agent fails to deposit money received  
6-69 from ticket sales under Section 466.351;

7-1 (2) an event occurs that would render the sales agent  
7-2 ineligible for a license under Section 466.155;  
7-3 (3) the sales agent refuses to permit the executive  
7-4 director, the department [~~director, the commission~~], or the state  
7-5 auditor to examine the agent's books, records, papers, or other  
7-6 objects under Section 466.017(b); or  
7-7 (4) the executive director learns the sales agent has  
7-8 failed to disclose information that would, if disclosed, render the  
7-9 sales agent ineligible for a license under Section 466.155.  
7-10 (b) The department [~~commission~~] may summarily suspend a  
7-11 sales agent's license if proceedings for a preliminary hearing  
7-12 before the State Office of Administrative Hearings are initiated  
7-13 simultaneously with the summary suspension. The preliminary  
7-14 hearing shall be set for a date not later than 10 days after the date  
7-15 of the summary suspension, unless the parties agree to a later date.  
7-16 (d) To initiate a proceeding to summarily suspend a sales  
7-17 agent's license, the department [~~commission~~] must serve notice to  
7-18 the sales agent informing the agent of the right to a preliminary  
7-19 hearing and of the time and place of the preliminary hearing. The  
7-20 notice must be personally served on the sales agent or an officer,  
7-21 employee, or agent of the sales agent or sent by certified or  
7-22 registered mail, return receipt requested, to the sales agent's  
7-23 mailing address as it appears on the department's [~~commission's~~]  
7-24 records. The notice must state the alleged violations that  
7-25 constitute grounds for summary suspension. The suspension is  
7-26 effective at the time the notice is served. If notice is served in  
7-27 person, the sales agent shall immediately surrender the license to  
7-28 the department [~~commission~~]. If notice is served by mail, the sales  
7-29 agent shall immediately return the license to the department  
7-30 [~~commission~~]. If the sales agent uses an on-line electronic  
7-31 terminal to sell tickets, the executive director or a lottery  
7-32 operator on the instructions of the executive director may  
7-33 terminate the connection of the terminal to the department's  
7-34 [~~commission's~~] lottery computer at the time:  
7-35 (1) the proceeding to summarily suspend the license is  
7-36 initiated; or  
7-37 (2) the department [~~division~~] discovers the sales  
7-38 agent has failed to deposit money received from ticket sales, if the  
7-39 sales agent's license is being summarily suspended under Subsection  
7-40 (a)(1).  
7-41 SECTION 24. Sections 466.161(b) and (c), Government Code,  
7-42 are amended to read as follows:  
7-43 (b) This section does not waive any immunity of the  
7-44 department [~~commission~~] or this state.  
7-45 (c) This section does not create a cause of action against  
7-46 this state, the department [~~commission~~], a department [~~commission~~]  
7-47 employee, or a sales agent.  
7-48 SECTION 25. Section 466.201, Government Code, is amended to  
7-49 read as follows:  
7-50 Sec. 466.201. ACCESS TO CRIMINAL HISTORY RECORD  
7-51 INFORMATION. (a) The department [~~commission~~] is entitled to  
7-52 conduct an investigation of and is entitled to obtain criminal  
7-53 history record information maintained by the Department of Public  
7-54 Safety, the Federal Bureau of Investigation Identification  
7-55 Division, or another law enforcement agency to assist in the  
7-56 investigation of:  
7-57 (1) a sales agent or an applicant for a sales agent  
7-58 license;  
7-59 (2) a person required to be named in a license  
7-60 application;  
7-61 (3) a lottery operator or prospective lottery  
7-62 operator;  
7-63 (4) an employee of a lottery operator or prospective  
7-64 lottery operator, if the employee is or will be directly involved in  
7-65 lottery operations;  
7-66 (5) a person who manufactures or distributes lottery  
7-67 equipment or supplies, or a representative of a person who  
7-68 manufactures or distributes lottery equipment or supplies offered  
7-69 to the lottery;

8-1 (6) a person who has submitted a written bid or  
8-2 proposal to the department [~~commission~~] in connection with the  
8-3 procurement of goods or services by the department [~~commission~~], if  
8-4 the amount of the bid or proposal exceeds \$500;

8-5 (7) an employee or other person who works for or will  
8-6 work for a sales agent or an applicant for a sales agent license;

8-7 (8) a person who proposes to enter into or who has a  
8-8 contract with the department [~~commission~~] to supply goods or  
8-9 services to the department [~~commission~~]; or

8-10 (9) if a person described in Subdivisions (1) through  
8-11 (8) is not an individual, an individual who:

8-12 (A) is an officer or director of the person;

8-13 (B) holds more than 10 percent of the stock in the  
8-14 person;

8-15 (C) holds an equitable interest greater than 10  
8-16 percent in the person;

8-17 (D) is a creditor of the person who holds more  
8-18 than 10 percent of the person's outstanding debt;

8-19 (E) is the owner or lessee of a business that the  
8-20 person conducts or through which the person will conduct  
8-21 lottery-related activities;

8-22 (F) shares or will share in the profits, other  
8-23 than stock dividends, of the person;

8-24 (G) participates in managing the affairs of the  
8-25 person; or

8-26 (H) is an employee of the person who is or will be  
8-27 involved in:

8-28 (i) selling tickets; or

8-29 (ii) handling money from the sale of  
8-30 tickets.

8-31 (b) The department [~~commission~~] shall conduct an  
8-32 investigation of and obtain criminal history record information  
8-33 maintained by the Department of Public Safety, the Federal Bureau  
8-34 of Investigation Identification Division, or another law  
8-35 enforcement agency to assist in the investigation of:

8-36 (1) the executive director or a prospective executive  
8-37 director; or

8-38 (2) an employee or prospective employee of the  
8-39 department [~~commission~~].

8-40 (c) Not later than the first anniversary after the date of  
8-41 each renewal, the department [~~commission~~] shall obtain criminal  
8-42 history record information maintained by the Department of Public  
8-43 Safety on a sales agent whose license is renewed under Section  
8-44 466.158.

8-45 SECTION 26. Section 466.202, Government Code, is amended to  
8-46 read as follows:

8-47 Sec. 466.202. FINGERPRINTS. (a) The executive director  
8-48 may discharge from employment an employee of the department  
8-49 [~~commission~~] who fails to provide a complete legible set of  
8-50 fingerprints on request. The executive director may refuse to  
8-51 consider a prospective employee of the department [~~commission~~] who  
8-52 fails to provide a complete legible set of fingerprints on request.

8-53 (b) The executive director may deny an application for a  
8-54 license or the department [~~commission~~] may suspend or revoke a  
8-55 license if the applicant or sales agent fails on request to provide  
8-56 a complete legible set of fingerprints of a person required to be  
8-57 named in a license application.

8-58 SECTION 27. Sections 466.203(a) and (c), Government Code,  
8-59 are amended to read as follows:

8-60 (a) The executive director may request the cooperation of  
8-61 the Department of Public Safety to perform a background  
8-62 investigation of a person listed in Section 466.201(a) or (b). The  
8-63 executive director shall reimburse the Department of Public Safety  
8-64 [~~department~~] for the actual cost of an investigation.

8-65 (c) Unless otherwise prohibited by law, the Department of  
8-66 Public Safety may retain any record or information submitted to it  
8-67 under this section. The Department of Public Safety [~~department~~]  
8-68 shall notify the executive director of any change in information  
8-69 provided to the executive director when the Department of Public

9-1 Safety [department] learns of the change.

9-2 SECTION 28. Section 466.204, Government Code, is amended to  
9-3 read as follows:

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

- 9-10 (1) a sales agent or an applicant for a sales agent  
9-11 license;
- 9-12 (2) an employee or prospective employee of the  
9-13 department [commission];
- 9-14 (3) a person required to be named in a license  
9-15 application;
- 9-16 (4) a lottery operator or prospective lottery  
9-17 operator;
- 9-18 (5) an employee of a lottery operator or prospective  
9-19 lottery operator, if the employee is or will be directly involved in  
9-20 lottery operations;
- 9-21 (6) a person who manufactures or distributes lottery  
9-22 equipment or supplies, or a representative of a person who  
9-23 manufactures or distributes lottery equipment or supplies offered  
9-24 to the lottery;
- 9-25 (7) a person who has submitted a written bid or  
9-26 proposal to the department [commission] in connection with the  
9-27 procurement of goods or services by the department [commission];
- 9-28 (8) an employee or other person who works for or will  
9-29 work for a sales agent or an applicant for a sales agent license; or
- 9-30 (9) a person who proposes to enter into or who has a  
9-31 contract with the department [commission] to supply goods or  
9-32 services to the department [commission].

9-33 SECTION 29. Section 466.254, Government Code, is amended to  
9-34 read as follows:

9-35 Sec. 466.254. PURCHASE OF TICKET BY OR PAYMENT OF PRIZE TO  
9-36 CERTAIN PERSONS. A person may not purchase a ticket or claim,  
9-37 collect, or receive a lottery prize or a share of a lottery prize if  
9-38 the person is:

- 9-39 (1) a member, officer, or employee of a person that has  
9-40 a contract with the department [commission] to sell or lease goods  
9-41 or services used in the operation of the lottery, and the member,  
9-42 officer, or employee is directly involved in selling or leasing the  
9-43 goods or performing the services that are the subject of the  
9-44 contract with the department [commission];
- 9-45 (2) a member, officer, or employee of a lottery  
9-46 operator;
- 9-47 (3) an officer or employee of the department  
9-48 [commission]; or
- 9-49 (4) a spouse, child, brother, sister, or parent  
9-50 residing as a member of the same household in the principal place of  
9-51 residence of a person described by Subdivision (1), (2), or (3).

9-52 SECTION 30. Subchapter F, Chapter 466, Government Code, is  
9-53 amended by adding Section 466.255 to read as follows:

9-54 Sec. 466.255. LIMITATION ON NUMBER OF LOTTERY TICKETS PER  
9-55 TRANSACTION. A person may not sell to one individual more than 100  
9-56 lottery tickets in a single transaction.

9-57 SECTION 31. Section 466.302(a), Government Code, is amended  
9-58 to read as follows:

9-59 (a) A person commits an offense if the person intentionally  
9-60 or knowingly sells a ticket at a price the person knows is greater  
9-61 than that fixed by the department [commission] or by the lottery  
9-62 operator authorized to set that price.

9-63 SECTION 32. Sections 466.3051(a) and (d), Government Code,  
9-64 are amended to read as follows:

9-65 (a) A sales agent or an employee of a sales agent commits an  
9-66 offense if with criminal negligence the person [~~intentionally or~~  
9-67 ~~knowingly~~] sells or offers to sell a ticket to an individual that  
9-68 the person knows is younger than 18 years of age.

9-69 (d) It is a defense to the application of Subsection (b)

10-1 that the individual younger than 18 years of age is participating in  
 10-2 an inspection or investigation on behalf of the department  
 10-3 [~~commission~~] or other appropriate governmental entity regarding  
 10-4 compliance with this section.

10-5 SECTION 33. Section 466.3052(a), Government Code, is  
 10-6 amended to read as follows:

10-7 (a) A person commits an offense if the person intentionally  
 10-8 or knowingly sells a ticket and the person accepts anything other  
 10-9 than the following as payment for the ticket:

10-10 (1) United States currency;

10-11 (2) a negotiable instrument in the form of a check that  
 10-12 meets the requirements of Section 3.104, Business & Commerce Code;

10-13 (3) a debit made through a financial institution debit  
 10-14 card;

10-15 (4) a coupon or voucher issued by the department  
 10-16 [~~commission~~] for purposes of purchasing a lottery ticket; or

10-17 (5) a mail order subscription on a mail order  
 10-18 subscription form authorized by the department [~~commission~~].

10-19 SECTION 34. Section 466.311(b), Government Code, is amended  
 10-20 to read as follows:

10-21 (b) A person commits an offense if the person knowingly  
 10-22 refuses to produce for inspection by the [~~director~~] executive  
 10-23 director, department [~~commission~~], or state auditor a book, record,  
 10-24 or document required to be maintained or made by this chapter or a  
 10-25 rule adopted under this chapter.

10-26 SECTION 35. Subchapter G, Chapter 466, Government Code, is  
 10-27 amended by adding Section 466.318 to read as follows:

10-28 Sec. 466.318. PLAY OR FACILITATING PLAY BY TELEPHONE OR BY  
 10-29 INTERNET OR MOBILE INTERNET APPLICATION. (a) A person may not by  
 10-30 telephone or through an Internet application or mobile Internet  
 10-31 application:

10-32 (1) purchase or order the purchase of a ticket for a  
 10-33 lottery game; or

10-34 (2) for compensation:

10-35 (A) accept an order for a ticket for a lottery  
 10-36 game from a player;

10-37 (B) sell a ticket for a lottery game to a player;  
 10-38 or

10-39 (C) arrange:

10-40 (i) to purchase a ticket on behalf of a  
 10-41 person playing a lottery game; or

10-42 (ii) for another person to purchase a  
 10-43 ticket on behalf of a person playing a lottery game.

10-44 (b) A person commits an offense if the person violates this  
 10-45 section.

10-46 (c) An offense under Subsection (a)(1) is a Class C  
 10-47 misdemeanor.

10-48 (d) An offense under Subsection (a)(2) is a Class A  
 10-49 misdemeanor.

10-50 SECTION 36. Sections 466.408(a), (c), and (f), Government  
 10-51 Code, are amended to read as follows:

10-52 (a) The department [~~division~~] shall retain an unclaimed  
 10-53 prize on a winning ticket for payment or delivery to the person  
 10-54 entitled to the prize for 180 days after the date on which the  
 10-55 winner was selected.

10-56 (c) If a claim is not made for a prize other than prize money  
 10-57 on or before the 180th day after the date on which the winner was  
 10-58 selected, the prize shall revert to the department [~~division~~] for  
 10-59 use in subsequent games.

10-60 (f) The department [~~commission~~] may deduct money paid to an  
 10-61 eligible person under Subsection (e) from prize money that would  
 10-62 otherwise be deposited under Subsection (b).

10-63 SECTION 37. Sections 466.410(a), (b), (d), (f), (g), and  
 10-64 (j), Government Code, are amended to read as follows:

10-65 (a) A person may assign, in whole or in part, the right to  
 10-66 receive prize payments that are paid by the department [~~commission~~]  
 10-67 in installments over time if the assignment is made to a person  
 10-68 designated by an order of a district court of Travis County, except  
 10-69 that a person may not assign the right to receive prize payments if

11-1 the person is subject to a child support order and is delinquent in  
 11-2 making support payments under that order.

11-3 (b) A district court shall issue an order approving a  
 11-4 voluntary assignment and directing the department [~~commission~~] to  
 11-5 direct prize payments in whole or in part to the assignee if:

11-6 (1) a copy of the petition for the order and copies of  
 11-7 all notices of any hearing in the matter have been served on the  
 11-8 executive director not later than 20 days prior to any hearing or  
 11-9 entry of any order. The department [~~commission~~] may intervene in a  
 11-10 proceeding to protect the interests of the department [~~commission~~]  
 11-11 but shall not be considered an indispensable or necessary party. A  
 11-12 petition filed under this section shall include in the caption the  
 11-13 prize winner's name as it appears on the lottery claim form;

11-14 (2) the assignment is in writing, executed by the  
 11-15 assignor and assignee (or designated agent), and by its terms  
 11-16 subject to the laws of this state; and

11-17 (3) the assignor provides a sworn and notarized  
 11-18 affidavit stating that the assignor:

11-19 (A) is of sound mind, over 18 years of age, is in  
 11-20 full command of the person's faculties, and is not acting under  
 11-21 duress;

11-22 (B) is not delinquent in payment of child support  
 11-23 under a court or administrative order issued in this state or  
 11-24 another state;

11-25 (C) has been advised regarding the assignment by  
 11-26 independent legal counsel and has had the opportunity to receive  
 11-27 independent financial and tax advice concerning the effects of the  
 11-28 assignment;

11-29 (D) understands that the assignor will not  
 11-30 receive the prize payments, or portions of the prize payments, for  
 11-31 the assigned years;

11-32 (E) understands and agrees that with regard to  
 11-33 the assigned payments, the state, the department [~~commission~~], and  
 11-34 its officials and employees will have no further liability or  
 11-35 responsibility to make the assigned payments to the assignor;

11-36 (F) has been provided a one-page written  
 11-37 disclosure statement stating, in boldfaced type, 14 points or  
 11-38 larger:

11-39 (i) the payments being assigned, by amounts  
 11-40 and payment dates;

11-41 (ii) the purchase price being paid, if any;

11-42 (iii) if a purchase price is paid, the rate  
 11-43 of discount to the present value of the prize, assuming daily  
 11-44 compounding and funding on the contract date; and

11-45 (iv) the amount, if any, of any origination  
 11-46 or closing fees that will be charged to the assignor; and

11-47 (G) was advised in writing, at the time the  
 11-48 assignment was signed, that the assignor had the right to cancel  
 11-49 without any further obligation not later than the third business  
 11-50 day after the date the assignment was signed.

11-51 (d) With respect to any given prize, the order shall also  
 11-52 recite and identify all prior assignments by amount of or fraction  
 11-53 of payment assigned, the identity of the assignee, and the date(s)  
 11-54 of payment(s) assigned. A court order obtained pursuant to this  
 11-55 section, together with all such prior orders, shall not require the  
 11-56 department [~~commission~~] to divide any single prize payment among  
 11-57 more than three different persons.

11-58 (f) A certified copy of a court order granted under this  
 11-59 section shall be delivered to the department [~~commission~~] and such  
 11-60 order must be provided to the department [~~commission~~] no later than  
 11-61 20 days prior to the date upon which the first assigned payment is  
 11-62 to be paid to the assignee. Within 20 days of receipt of the court  
 11-63 order, the department [~~commission~~] shall acknowledge in writing to  
 11-64 both the assignor and the assignee its receipt of said court order.  
 11-65 Unless the department [~~commission~~] provides written notice to the  
 11-66 assignor and assignee that the department [~~commission~~] cannot  
 11-67 comply with the court order, the department [~~commission~~] shall  
 11-68 thereafter make the prize payments in accordance with the court  
 11-69 order.

12-1 (g) The department [~~commission~~] shall establish and collect  
 12-2 a reasonable fee to defray any administrative expenses associated  
 12-3 with an assignment made under this section, including the cost to  
 12-4 the department [~~commission~~] of any processing fee imposed by a  
 12-5 private annuity provider. The department [~~commission~~] shall  
 12-6 establish the amount of the fee to reflect the direct and indirect  
 12-7 costs associated with processing the assignment.

12-8 (j) After receiving a letter or ruling from the Internal  
 12-9 Revenue Service or a published decision of a court as provided by  
 12-10 Subsection (i)(1) or (2), the executive director shall immediately  
 12-11 file a copy of the letter, ruling, or published decision with the  
 12-12 secretary of state. When the executive director files a copy of the  
 12-13 letter, ruling, or published decision with the secretary of state,  
 12-14 an assignor is ineligible to assign a prize under this section, and  
 12-15 the department [~~commission~~] shall not make any payment to an  
 12-16 assignee pursuant to a court order entered after the date of such  
 12-17 letter or ruling.

12-18 SECTION 38. Sections [466.411](#)(b) and (d), Government Code,  
 12-19 are amended to read as follows:

12-20 (b) The department [~~commission~~] may release or disclose the  
 12-21 personally identifiable information of a natural person who is a  
 12-22 lottery prize winner if the person chooses to have the prize paid in  
 12-23 periodic installments. The department [~~commission~~] may only  
 12-24 disclose the information on or after the 30th day after the date the  
 12-25 person claims the lottery prize if the person chooses to remain  
 12-26 anonymous under Subsection (a).

12-27 (d) This section does not prohibit release of a natural  
 12-28 person prize winner's city or county of residence or prevent the  
 12-29 department [~~commission~~] from releasing the person's personally  
 12-30 identifiable information to the Health and Human Services  
 12-31 Commission or as necessary to comply with Section [466.407](#) or  
 12-32 [466.4075](#).

12-33 SECTION 39. Section [466.451](#), Government Code, is amended to  
 12-34 read as follows:

12-35 Sec. [466.451](#). MULTIJURISDICTION AGREEMENT AUTHORIZED. The  
 12-36 department [~~commission~~] may enter into a written agreement with the  
 12-37 appropriate officials of one or more other states or other  
 12-38 jurisdictions, including foreign countries, to participate in the  
 12-39 operation, marketing, and promotion of a multijurisdiction lottery  
 12-40 game or games. The commission may adopt rules relating to a  
 12-41 multijurisdiction lottery game or games.

12-42 SECTION 40. Section [466.452](#)(b), Government Code, is amended  
 12-43 to read as follows:

12-44 (b) The department [~~commission~~] may deposit a portion of the  
 12-45 revenue received from the sale of multijurisdiction lottery game  
 12-46 tickets in this state into a fund shared with other parties to an  
 12-47 agreement under this subchapter for the payment of prizes awarded  
 12-48 in multijurisdiction lottery games in which the department  
 12-49 [~~commission~~] participates. The department [~~commission~~] may retain  
 12-50 that revenue in the fund for as long as necessary to pay prizes  
 12-51 claimed during the period designated for claiming a prize in the  
 12-52 multijurisdiction lottery game.

12-53 SECTION 41. Section [466.453](#), Government Code, is amended to  
 12-54 read as follows:

12-55 Sec. [466.453](#). PAYMENT OF COSTS AUTHORIZED. The department  
 12-56 [~~commission~~] may share in the payment of costs associated with  
 12-57 participating in multijurisdiction lottery games.

12-58 SECTION 42. Section [544.0456](#)(c), Government Code, is  
 12-59 amended to read as follows:

12-60 (c) On a monthly basis, the commission shall:

12-61 (1) conduct electronic data matches with the Texas  
 12-62 Department of Licensing and Regulation [~~Lottery Commission~~] to  
 12-63 determine whether a recipient of supplemental nutrition assistance  
 12-64 benefits or a recipient's household member received reportable  
 12-65 lottery winnings;

12-66 (2) use the database system developed under Section  
 12-67 [532.0201](#) to:

12-68 (A) match vital statistics unit death records  
 12-69 with a list of individuals eligible for financial assistance or

13-1 supplemental nutrition assistance benefits; and  
 13-2 (B) ensure that any individual receiving  
 13-3 assistance under either program who is discovered to be deceased  
 13-4 has the individual's eligibility for assistance promptly  
 13-5 terminated; and  
 13-6 (3) review the out-of-state electronic benefit  
 13-7 transfer card transactions a recipient of supplemental nutrition  
 13-8 assistance benefits made to determine whether those transactions  
 13-9 indicate a possible change in the recipient's residence.

13-10 SECTION 43. Sections 572.003(b) and (c), Government Code,  
 13-11 are amended to read as follows:

13-12 (b) The term means:

13-13 (1) the banking commissioner [~~Banking Commissioner~~]  
 13-14 of the Texas [~~The Banking~~] Department of Banking [~~Texas~~];  
 13-15 (2) the administrative director of the Office of Court  
 13-16 Administration of the Texas Judicial System;  
 13-17 (3) the chief executive of the Office of Public  
 13-18 Utility Counsel;  
 13-19 (4) the executive director of the State Bar of Texas;  
 13-20 (5) [~~the director of the lottery division of the Texas~~  
 13-21 ~~Lottery Commission;~~  
 13-22 [~~(6) the deputy in charge of the department of~~  
 13-23 ~~security in the lottery division of the Texas Lottery Commission;~~  
 13-24 [~~(7)~~] the executive director of the [~~bingo division of~~  
 13-25 ~~the~~] Department of Licensing and Regulation [~~Lottery~~  
 13-26 ~~Commission~~]; or  
 13-27 (6) [~~(8)~~] the secretary of state.

13-28 (c) The term means a member of:

13-29 (1) the Public Utility Commission of Texas;  
 13-30 (2) the Texas Commission on Environmental Quality;  
 13-31 (3) the Texas Alcoholic Beverage Commission;  
 13-32 (4) the Finance Commission of Texas;  
 13-33 (5) the Texas Facilities Commission;  
 13-34 (6) the Texas Board of Criminal Justice;  
 13-35 (7) the board of trustees of the Employees Retirement  
 13-36 System of Texas;  
 13-37 (8) the Texas Transportation Commission;  
 13-38 (9) the Texas Department of Insurance;  
 13-39 (10) the Parks and Wildlife Commission;  
 13-40 (11) the Public Safety Commission;  
 13-41 (12) the Texas Ethics Commission;  
 13-42 (13) the State Securities Board;  
 13-43 (14) the Texas Water Development Board;  
 13-44 (15) the governing board of a public senior college or  
 13-45 university as defined by Section 61.003, Education Code, or of The  
 13-46 University of Texas Southwestern Medical Center, The University of  
 13-47 Texas Medical Branch at Galveston, The University of Texas Health  
 13-48 Science Center at Houston, The University of Texas Health Science  
 13-49 Center at San Antonio, The University of Texas M. D. Anderson Cancer  
 13-50 Center, The University of Texas Health Science Center at Tyler,  
 13-51 University of North Texas Health Science Center at Fort Worth,  
 13-52 Texas Tech University Health Sciences Center, Texas State Technical  
 13-53 College--Harlingen, Texas State Technical College--Marshall, Texas  
 13-54 State Technical College--Sweetwater, or Texas State Technical  
 13-55 College--Waco;  
 13-56 (16) the Texas Higher Education Coordinating Board;  
 13-57 (17) the Texas Workforce Commission;  
 13-58 (18) the board of trustees of the Teacher Retirement  
 13-59 System of Texas;  
 13-60 (19) the Credit Union Commission;  
 13-61 (20) the School Land Board;  
 13-62 (21) the board of the Texas Department of Housing and  
 13-63 Community Affairs;  
 13-64 (22) the Texas Racing Commission;  
 13-65 (23) the State Board of Dental Examiners;  
 13-66 (24) the Texas Medical Board;  
 13-67 (25) the Board of Pardons and Paroles;  
 13-68 (26) the Texas State Board of Pharmacy;  
 13-69 (27) the Department of Information Resources

14-1 governing board;  
 14-2 (28) the board of the Texas Department of Motor  
 14-3 Vehicles;  
 14-4 (29) the Texas Real Estate Commission;  
 14-5 (30) the board of directors of the State Bar of Texas;  
 14-6 (31) the Bond Review Board;  
 14-7 (32) the Health and Human Services Commission;  
 14-8 (33) the Texas Funeral Service Commission;  
 14-9 (34) the board of directors of a river authority  
 14-10 created under the Texas Constitution or a statute of this state; or  
 14-11 (35) [~~the Texas Lottery Commission; or~~  
 14-12 [~~(36)~~] the Cancer Prevention and Research Institute of  
 14-13 Texas.

14-14 SECTION 44. Sections 467.001(3), (4), (5), (6), (7), (8),  
 14-15 (9), (10), and (11), Government Code, are transferred to Section  
 14-16 51.001, Occupations Code, redesignated as Sections 51.001(1-b),  
 14-17 (2-a), (2-b), (4-a), (4-b), (4-c), (4-d), (4-e), and (4-f),  
 14-18 Occupations Code, and amended to read as follows:

14-19 (1-b) [~~(3)~~] "Communicate directly with" has the  
 14-20 meaning assigned by Section 305.002, Government Code.

14-21 (2-a) [~~(4)~~] "Gift" includes a gratuity, trip, meal, or  
 14-22 other thing of value for which the recipient does not compensate the  
 14-23 person making the gift and that is not conferred on account of  
 14-24 kinship or a personal, professional, or business relationship  
 14-25 independent of the official status of the recipient.

14-26 (2-b) [~~(5)~~] "Legislation" has the meaning assigned by  
 14-27 Section 305.002, Government Code.

14-28 (4-a) [~~(6)~~] "Member of the legislative branch" has the  
 14-29 meaning assigned by Section 305.002, Government Code.

14-30 (4-b) [~~(7)~~] "Participated" means to have taken action  
 14-31 as an officer or employee through decision, approval, disapproval,  
 14-32 recommendation, giving advice, or similar action.

14-33 (4-c) [~~(8)~~] "Particular matter" includes an  
 14-34 investigation, an application, a request for a ruling or  
 14-35 determination, a license proceeding, rulemaking, a contract, a  
 14-36 controversy, a claim, a charge, an accusation, an arrest, or a  
 14-37 judicial or other proceeding.

14-38 (4-d) [~~(9)~~] "Person that has a significant financial  
 14-39 interest in the lottery" means:

14-40 (A) a person or a board member, officer, trustee,  
 14-41 or general partner of a person that manufactures, distributes,  
 14-42 sells, or produces lottery equipment, supplies, services, or  
 14-43 advertising;

14-44 (B) an employee of a person that manufactures,  
 14-45 distributes, sells, or produces lottery equipment, supplies,  
 14-46 services, or advertising and that employee is directly involved in  
 14-47 the manufacturing, distribution, selling, or production of lottery  
 14-48 equipment, supplies, services, or advertising;

14-49 (C) a person or a board member, officer, trustee,  
 14-50 or general partner of a person that has made a bid to operate the  
 14-51 lottery in the preceding two years or that intends to make a bid to  
 14-52 operate the lottery or an employee of the person if the employee is  
 14-53 directly involved in making the bid; or

14-54 (D) a sales agent.

14-55 (4-e) [~~(10)~~] "Political committee" has the meaning  
 14-56 assigned by Section 251.001, Election Code.

14-57 (4-f) [~~(11)~~] "Political contribution" has the meaning  
 14-58 assigned by Section 251.001, Election Code.

14-59 SECTION 45. Section 51.002, Occupations Code, is amended to  
 14-60 read as follows:

14-61 Sec. 51.002. APPLICATION OF SUNSET ACT. The Texas  
 14-62 Commission of Licensing and Regulation and the Texas Department of  
 14-63 Licensing and Regulation are subject to Chapter 325, Government  
 14-64 Code (Texas Sunset Act). Unless continued in existence as provided  
 14-65 by that chapter, the commission and the department are abolished  
 14-66 and Chapter 2001 of this code expires September 1, 2033.

14-67 SECTION 46. Section 51.053, Occupations Code, is amended by  
 14-68 adding Subsection (b-1) to read as follows:

14-69 (b-1) In addition to the eligibility requirements provided

15-1 by Subsection (b), a person is not eligible for appointment as a  
 15-2 member of the commission if the person:

15-3 (1) has been convicted of a felony or of any crime  
 15-4 involving moral turpitude; or

15-5 (2) is not a citizen of the United States.

15-6 SECTION 47. Section 467.025, Government Code, is  
 15-7 transferred to Subchapter B, Chapter 51, Occupations Code,  
 15-8 redesignated as Section 51.061, Occupations Code, and amended to  
 15-9 read as follows:

15-10 Sec. 51.061 [~~467.025~~]. PROHIBITED CONDUCT. (a) A  
 15-11 commission member may not:

15-12 (1) accept any employment or remuneration from:

15-13 (A) a person that has a significant financial  
 15-14 interest in the lottery; or

15-15 (B) a bingo commercial lessor, bingo  
 15-16 distributor, or bingo manufacturer;

15-17 (2) play any lottery or bingo game conducted in this  
 15-18 state;

15-19 (3) accept or be entitled to accept any part of the  
 15-20 winnings to be paid from a lottery or bingo game conducted in this  
 15-21 state;

15-22 (4) use the member's official authority to affect the  
 15-23 result of an election or nomination for public office; or

15-24 (5) directly or indirectly coerce, attempt to coerce,  
 15-25 command, or advise a person to pay, lend, or contribute anything of  
 15-26 value to another person for political purposes.

15-27 (b) A commission member or former commission member or the  
 15-28 spouse of a commission member or former commission member may not  
 15-29 solicit or accept employment from a person regulated by the  
 15-30 commission before the second anniversary of the date on which the  
 15-31 commission member's service on the commission ends.

15-32 SECTION 48. Section 467.036, Government Code, is  
 15-33 transferred to Subchapter B, Chapter 51, Occupations Code,  
 15-34 redesignated as Section 51.062, Occupations Code, and amended to  
 15-35 read as follows:

15-36 Sec. 51.062 [~~467.036~~]. ACCESS TO CRIMINAL HISTORY  
 15-37 RECORDS. (a) The governor shall conduct an investigation of and  
 15-38 is entitled to obtain criminal history record information  
 15-39 maintained by the Department of Public Safety, the Federal Bureau  
 15-40 of Investigation Identification Division, or another law  
 15-41 enforcement agency relating to an individual the governor intends  
 15-42 to appoint to the commission.

15-43 (b) The commission shall conduct an investigation of and is  
 15-44 entitled to obtain criminal history record information maintained  
 15-45 by the Department of Public Safety, the Federal Bureau of  
 15-46 Investigation Identification Division, or another law enforcement  
 15-47 agency relating to an individual the commission intends to employ.

15-48 SECTION 49. Section 467.101, Government Code, is  
 15-49 transferred to Subchapter D, Chapter 51, Occupations Code,  
 15-50 redesignated as Section 51.2011, Occupations Code, and amended to  
 15-51 read as follows:

15-52 Sec. 51.2011 [~~467.101~~]. POWERS AND DUTIES OF COMMISSION  
 15-53 REGARDING STATE LOTTERY AND BINGO REGULATION. (a) The commission  
 15-54 has broad authority and shall exercise strict control and close  
 15-55 supervision over all activities authorized and conducted in this  
 15-56 state under:

15-57 (1) Chapter 2001 [~~, Occupations Code~~]; and

15-58 (2) Chapter 466, Government Code [~~of this code~~].

15-59 (b) The commission shall ensure that games are conducted  
 15-60 fairly and in compliance with the law.

15-61 (c) The commission also has the powers and duties granted  
 15-62 under:

15-63 (1) Chapter 2001 [~~, Occupations Code~~]; and

15-64 (2) Chapter 466, Government Code [~~of this code~~].

15-65 SECTION 50. Section 467.104, Government Code, is  
 15-66 transferred to Subchapter D, Chapter 51, Occupations Code,  
 15-67 redesignated as Section 51.212, Occupations Code, and amended to  
 15-68 read as follows:

15-69 Sec. 51.212 [~~467.104~~]. LOTTERY AND BINGO PROGRAM RECORDS.

16-1 (a) Except as otherwise provided by law, all commission records  
16-2 relating to the state lottery under Chapter 466, Government Code,  
16-3 and the regulation of charitable bingo under Chapter 2001 are  
16-4 subject to public inspection in accordance with Chapter 552,  
16-5 Government Code.

16-6 (b) The executive director shall keep the records described  
16-7 by Subsection (a) [of the commission].

16-8 SECTION 51. Section 467.105, Government Code, is  
16-9 transferred to Subchapter D, Chapter 51, Occupations Code,  
16-10 redesignated as Section 51.213, Occupations Code, and amended to  
16-11 read as follows:

16-12 Sec. 51.213 [467.105]. LEGAL REPRESENTATION. (a) The  
16-13 attorney general shall designate at least one member of the  
16-14 attorney general's staff to counsel and advise the commission and  
16-15 to represent the commission in legal proceedings. The attorney  
16-16 general shall make available to the appropriate prosecuting  
16-17 attorneys any information obtained regarding a violation of a law  
16-18 under the commission's jurisdiction.

16-19 (b) The attorney general may apply for injunctive or  
16-20 declaratory relief to enforce a law under the commission's  
16-21 jurisdiction or a rule adopted by the commission. Action by the  
16-22 attorney general under this subsection does not limit the authority  
16-23 of the attorney general or a prosecuting attorney to bring a  
16-24 criminal proceeding.

16-25 SECTION 52. Section 467.106, Government Code, is  
16-26 transferred to Subchapter D, Chapter 51, Occupations Code,  
16-27 redesignated as Section 51.214, Occupations Code, and amended to  
16-28 read as follows:

16-29 Sec. 51.214 [467.106]. GIFT OR POLITICAL CONTRIBUTION TO  
16-30 OFFICER OR EMPLOYEE. (a) A commission member, the executive  
16-31 director, or an employee of the department [~~commission~~] may not  
16-32 intentionally or knowingly accept a gift or political contribution  
16-33 from:

16-34 (1) a person that has a significant financial interest  
16-35 in the lottery;

16-36 (2) a person related in the first degree of  
16-37 consanguinity or affinity to a person that has a significant  
16-38 financial interest in the lottery;

16-39 (3) a person that owns more than a 10 percent interest  
16-40 in an entity that has a significant financial interest in the  
16-41 lottery;

16-42 (4) a political committee that is directly  
16-43 established, administered, or controlled, in whole or in part, by a  
16-44 person that has a significant financial interest in the lottery; or

16-45 (5) a person who, within the two years preceding the  
16-46 date of the gift or contribution, won a lottery prize exceeding \$600  
16-47 in amount or value.

16-48 (b) A person may not make a gift or political contribution  
16-49 to a person known by the actor to be a commission member, the  
16-50 executive director, or an employee of the department [~~commission~~],  
16-51 if the actor:

16-52 (1) has a significant financial interest in the  
16-53 lottery;

16-54 (2) is related in the first degree of consanguinity or  
16-55 affinity to a person that has a significant financial interest in  
16-56 the lottery;

16-57 (3) owns more than a 10 percent interest in an entity  
16-58 that has a significant financial interest in the lottery;

16-59 (4) is a political committee that is directly  
16-60 established, administered, or controlled, in whole or in part, by a  
16-61 person that has a significant financial interest in the lottery; or

16-62 (5) within the two years preceding the date of the gift  
16-63 or contribution, won a lottery prize exceeding \$600 in amount or  
16-64 value.

16-65 (c) A person commits an offense if the person violates this  
16-66 section. An offense under this section is a Class A misdemeanor.

16-67 SECTION 53. Section 467.107, Government Code, is  
16-68 transferred to Subchapter D, Chapter 51, Occupations Code,  
16-69 redesignated as Section 51.215, Occupations Code, and amended to

17-1 read as follows:

17-2 Sec. 51.215 [~~467.107~~]. GIFT OR POLITICAL CONTRIBUTION TO  
 17-3 FORMER OFFICER OR EMPLOYEE. (a) A former commission member,  
 17-4 former executive director, or former employee of the department  
 17-5 [~~commission~~] may not, before the second anniversary of the date  
 17-6 that the person's service in office or employment with the  
 17-7 department [~~commission~~] ceases, intentionally or knowingly accept  
 17-8 a gift or political contribution from:

17-9 (1) a person that has a significant financial interest  
 17-10 in the lottery;

17-11 (2) a person related in the first degree of  
 17-12 consanguinity or affinity to a person that has a significant  
 17-13 financial interest in the lottery;

17-14 (3) a person that owns more than a 10 percent interest  
 17-15 in an entity that has a significant financial interest in the  
 17-16 lottery;

17-17 (4) a political committee that is directly  
 17-18 established, administered, or controlled, in whole or in part, by a  
 17-19 person that has a significant financial interest in the lottery; or

17-20 (5) a person who, within the two years preceding the  
 17-21 date of the gift or contribution, won a lottery prize exceeding \$600  
 17-22 in amount or value.

17-23 (b) A person may not make a gift or political contribution  
 17-24 to a person known by the actor to be a former commission member,  
 17-25 former executive director, or former employee of the department  
 17-26 [~~commission~~], if the actor:

17-27 (1) has a significant financial interest in the  
 17-28 lottery;

17-29 (2) is related in the first degree of consanguinity or  
 17-30 affinity to a person that has a significant financial interest in  
 17-31 the lottery;

17-32 (3) owns more than a 10 percent interest in an entity  
 17-33 that has a significant financial interest in the lottery;

17-34 (4) is a political committee that is directly  
 17-35 established, administered, or controlled, in whole or in part, by a  
 17-36 person that has a significant financial interest in the lottery; or

17-37 (5) within the two years preceding the date of the gift  
 17-38 or contribution, won a lottery prize exceeding \$600 in amount or  
 17-39 value.

17-40 (c) A person commits an offense if the person violates this  
 17-41 section. An offense under this section is a Class A misdemeanor.

17-42 SECTION 54. Section 467.108, Government Code, is  
 17-43 transferred to Subchapter D, Chapter 51, Occupations Code,  
 17-44 redesignated as Section 51.216, Occupations Code, and amended to  
 17-45 read as follows:

17-46 Sec. 51.216 [~~467.108~~]. REPRESENTATION BY FORMER OFFICER  
 17-47 OR EMPLOYEE. (a) A former commission member or [~~7~~] former  
 17-48 executive director [~~, or former director~~] may not:

17-49 (1) for compensation, represent a person that has made  
 17-50 or intends to make a bid to operate the lottery before the  
 17-51 department [~~commission~~] before the second anniversary of the date  
 17-52 that the person's service in office or employment with the  
 17-53 department [~~commission~~] ceases;

17-54 (2) represent any person or receive compensation for  
 17-55 services rendered on behalf of any person regarding a particular  
 17-56 matter in which the former officer or employee participated during  
 17-57 the period of service or employment with the department  
 17-58 [~~commission~~], either through personal involvement or because the  
 17-59 matter was within the scope of the officer's or employee's official  
 17-60 responsibility; or

17-61 (3) for compensation communicate directly with a  
 17-62 member of the legislative branch to influence legislation on behalf  
 17-63 of a person that has a significant financial interest in the  
 17-64 lottery, before the second anniversary of the date that the  
 17-65 person's service in office or employment with the department  
 17-66 [~~commission~~] ceases.

17-67 (b) A person commits an offense if the person violates this  
 17-68 section. An offense under this section is a Class A misdemeanor.

17-69 SECTION 55. Subchapter D, Chapter 51, Occupations Code, is

18-1 amended by adding Sections 51.217 and 51.218 to read as follows:  
 18-2 Sec. 51.217. LOTTERY ADVISORY COMMITTEE. (a) The  
 18-3 commission shall establish a lottery advisory committee to provide  
 18-4 external expertise on the lottery. The commission shall appoint to  
 18-5 the advisory committee members who represent a balance of  
 18-6 interests, including representatives of:  
 18-7 (1) the public;  
 18-8 (2) licensed sales agents;  
 18-9 (3) interest groups with divergent viewpoints on the  
 18-10 lottery and lottery operations; and  
 18-11 (4) entities associated with or benefiting from the  
 18-12 lottery's contributions to this state.  
 18-13 (b) A lottery advisory committee member serves at the  
 18-14 pleasure of the commission.  
 18-15 (c) A lottery advisory committee member is not entitled to  
 18-16 receive compensation for serving as a member. A member is entitled  
 18-17 to reimbursement for reasonable expenses incurred in performing  
 18-18 duties as a member.  
 18-19 (d) The lottery advisory committee shall:  
 18-20 (1) advise the commission and department on the needs  
 18-21 and problems of this state's lottery industry;  
 18-22 (2) comment on proposed lottery rules during  
 18-23 development and before final adoption unless an emergency requires  
 18-24 immediate action by the commission;  
 18-25 (3) annually report to the commission and department  
 18-26 on the advisory committee's activities;  
 18-27 (4) annually brief the commission and department on  
 18-28 advancements and challenges in this state's lottery industry; and  
 18-29 (5) perform other duties as determined by the  
 18-30 commission or department.  
 18-31 (e) The commission shall adopt rules to govern the lottery  
 18-32 advisory committee, including rules on:  
 18-33 (1) member composition, appointment procedures, and  
 18-34 terms;  
 18-35 (2) quorum requirements for advisory committee  
 18-36 meetings;  
 18-37 (3) additional representation requirements for and  
 18-38 qualifications of advisory committee members, including experience  
 18-39 or geographic location;  
 18-40 (4) any necessary training requirements for advisory  
 18-41 committee members; and  
 18-42 (5) the method for the public to provide comments on  
 18-43 issues the advisory committee considers.  
 18-44 (f) The lottery advisory committee shall meet quarterly or  
 18-45 at the commission's or department's request.  
 18-46 (g) The commission may not adopt a rule that restricts the  
 18-47 lottery advisory committee from discussing any lottery-related  
 18-48 topic.  
 18-49 Sec. 51.218. ANNUAL REPORT. (a) The department annually  
 18-50 shall submit a report to the governor and the legislature that:  
 18-51 (1) includes a summary of lottery revenue, prize  
 18-52 disbursements, and other expenses for the state fiscal year  
 18-53 preceding the report;  
 18-54 (2) includes a comprehensive business plan to guide  
 18-55 the department's major lottery initiatives that contains:  
 18-56 (A) specific goals for the department; and  
 18-57 (B) an evaluation of:  
 18-58 (i) the department's overall performance on  
 18-59 lottery operations;  
 18-60 (ii) the effectiveness of specific lottery  
 18-61 programs and initiatives;  
 18-62 (iii) the efficiency of the department's  
 18-63 lottery operations;  
 18-64 (iv) the amount of lottery revenue  
 18-65 generated for state purposes other than the payment of prizes; and  
 18-66 (v) the factors affecting the amount of  
 18-67 lottery revenue received and disbursed, including ticket sales and  
 18-68 administrative efficiency;  
 18-69 (3) addresses the trends and issues related to

19-1 violations of state laws under the department's lottery and bingo  
 19-2 jurisdiction identified:  
 19-3 (A) in complaints submitted under Section 51.252  
 19-4 as analyzed to identify the trends and issues by alleged violation  
 19-5 type and to evaluate the effectiveness of the department's  
 19-6 enforcement process; and  
 19-7 (B) through an inspection, audit, or other means  
 19-8 of regulating lottery operations under Chapter 466, Government  
 19-9 Code, and bingo under Chapter 2001;  
 19-10 (4) includes for the preceding calendar year  
 19-11 charitable bingo information on:  
 19-12 (A) the total amount reported by licensed  
 19-13 authorized organizations of adjusted gross receipts from bingo  
 19-14 operations under Chapter 2001;  
 19-15 (B) the total amount reported by licensed  
 19-16 authorized organizations of net proceeds from bingo operations  
 19-17 under Chapter 2001; and  
 19-18 (C) a comparison of the amounts reported under  
 19-19 Paragraphs (A) and (B), including the percentage the net proceeds  
 19-20 represents compared to the adjusted gross receipts; and  
 19-21 (5) provides biennial recommendations to the  
 19-22 legislature on emerging trends, technological advancements,  
 19-23 regulatory developments, and market dynamics affecting the lottery  
 19-24 and bingo industries.  
 19-25 (b) For purposes of Subsection (a)(4):  
 19-26 (1) the term "adjusted gross receipts" means the  
 19-27 amount remaining after deducting prizes paid but excluding prize  
 19-28 fees collected from bingo players; and  
 19-29 (2) the department shall determine the total amount of  
 19-30 net proceeds in a manner that does not reduce gross receipts by the  
 19-31 amount of rent paid for the rental of bingo premises by a licensed  
 19-32 authorized organization to another licensed authorized  
 19-33 organization if the other organization pays rent for the premises  
 19-34 to a licensed commercial lessor.  
 19-35 SECTION 56. Section 2001.002, Occupations Code, is amended  
 19-36 by amending Subdivisions (8) and (25-a) and adding Subdivisions  
 19-37 (8-a) and (10) to read as follows:  
 19-38 (8) "Commission" means the Texas [~~Lottery~~] Commission  
 19-39 of Licensing and Regulation.  
 19-40 (8-a) "Department" means the Texas Department of  
 19-41 Licensing and Regulation.  
 19-42 (10) "Executive director" means the executive  
 19-43 director of the department.  
 19-44 (25-a) "Regular license" means a license to conduct  
 19-45 bingo issued by the department [~~commission~~] under Subchapter C that  
 19-46 is not a temporary license.  
 19-47 SECTION 57. Section 2001.003, Occupations Code, is amended  
 19-48 to read as follows:  
 19-49 Sec. 2001.003. REGULATORY FUNDING FROM LICENSE FEES AND  
 19-50 BINGO PRIZE FEES. It is the intent of the legislature that the  
 19-51 funding necessary for the administration of this chapter by the  
 19-52 department [~~commission~~] be collected by the department  
 19-53 [~~commission~~] from commercial lessor, manufacturer, and distributor  
 19-54 license fees and money paid to the department [~~commission~~] by bingo  
 19-55 players as bingo prize fees.  
 19-56 SECTION 58. The heading to Subchapter B, Chapter 2001,  
 19-57 Occupations Code, is amended to read as follows:  
 19-58 SUBCHAPTER B. DEPARTMENT [~~COMMISSION~~] POWERS AND DUTIES  
 19-59 SECTION 59. Subchapter B, Chapter 2001, Occupations Code,  
 19-60 is amended by adding Section 2001.0501 to read as follows:  
 19-61 Sec. 2001.0501. ALLOCATION OF POWERS AND DUTIES. A power  
 19-62 granted or duty assigned to the commission under this chapter is a  
 19-63 power or duty of the executive director, the department, or the  
 19-64 commission, as established by commission rule.  
 19-65 SECTION 60. Section 2001.053, Occupations Code, is amended  
 19-66 to read as follows:  
 19-67 Sec. 2001.053. OFFICERS AND INVESTIGATORS. The department  
 19-68 [~~commission~~] may employ officers or investigators the department  
 19-69 [~~commission~~] considers necessary to administer this chapter.

20-1 SECTION 61. Sections 2001.056(b), (c), (d), and (e),  
 20-2 Occupations Code, are amended to read as follows:

20-3 (b) A license holder may not use or distribute a bingo card  
 20-4 unless the card has been approved by the department [~~commission~~].

20-5 (c) The department [~~commission~~] may set the price or adopt a  
 20-6 schedule of prices for the sale or provision of bingo cards by a  
 20-7 licensed authorized organization.

20-8 (d) A licensed authorized organization may not sell or  
 20-9 provide a bingo card at a price other than a price authorized by the  
 20-10 department [~~commission~~] or a schedule adopted by the department  
 20-11 [~~commission~~].

20-12 (e) The commission by rule may require a licensed authorized  
 20-13 organization to notify the department [~~commission~~] of the price for  
 20-14 bingo cards the organization will use for one or more reporting  
 20-15 periods.

20-16 SECTION 62. Section 2001.057, Occupations Code, is amended  
 20-17 by amending Subsections (a), (e), (f), and (g) and adding  
 20-18 Subsection (h) to read as follows:

20-19 (a) The commission shall [~~may~~] appoint a bingo advisory  
 20-20 committee consisting of nine members. The commission shall appoint  
 20-21 members representing a balance of interests including  
 20-22 representatives of:

20-23 (1) the public;

20-24 (2) charities that operate bingo games; and

20-25 (3) commercial and charity lessors that participate in  
 20-26 the bingo industry.

20-27 (e) The bingo advisory committee shall [~~may~~]:

20-28 (1) advise the commission and department on the needs  
 20-29 and problems of the state's bingo industry;

20-30 (2) comment on rules involving bingo during their  
 20-31 development and before final adoption unless an emergency requires  
 20-32 immediate action by the commission;

20-33 (3) report annually to the commission and department  
 20-34 on the committee's activities; [and]

20-35 (4) annually brief the commission and department on  
 20-36 advancements and challenges in this state's bingo industry; and

20-37 (5) perform other duties as determined by the  
 20-38 commission or department.

20-39 (f) The bingo advisory committee shall [~~may~~] meet quarterly  
 20-40 or at the commission's or department's request.

20-41 (g) The commission shall [~~may~~] adopt rules:

20-42 (1) to govern the operations of the bingo advisory  
 20-43 committee; and

20-44 (2) to prohibit the committee's involvement in  
 20-45 committee member selection.

20-46 (h) The commission may not adopt a rule that prohibits or  
 20-47 restricts the bingo advisory committee from discussing any  
 20-48 bingo-related topic. This subsection may not be construed to  
 20-49 require action by the commission on each item submitted by the  
 20-50 committee or otherwise alter the commission's decision-making  
 20-51 authority.

20-52 SECTION 63. Section 2001.058, Occupations Code, is amended  
 20-53 to read as follows:

20-54 Sec. 2001.058. PUBLIC INFORMATION. (a) The department  
 20-55 [~~commission~~] shall provide to any person on request a printed copy  
 20-56 of this chapter and the rules applicable to the enforcement of this  
 20-57 chapter.

20-58 (b) The department [~~commission~~] may charge a reasonable  
 20-59 amount for a copy provided under this section.

20-60 SECTION 64. Sections 2001.059(b) and (f), Occupations Code,  
 20-61 are amended to read as follows:

20-62 (b) The commission shall respond to a request under  
 20-63 Subsection (a) not later than the later of the second commission  
 20-64 meeting or the 60th day after the date a request is received, unless  
 20-65 the commission determines that the request does not contain  
 20-66 sufficient facts to provide an answer on which the requestor may  
 20-67 rely. In that event, the commission shall request additional  
 20-68 information from the requestor not later than the 10th day after the  
 20-69 date the request is received. If the commission requests

21-1 additional information, the commission shall respond to the request  
 21-2 not later than the later of the second commission meeting or the  
 21-3 60th day after the date additional information is received pursuant  
 21-4 to the request for additional information.

21-5 (f) The commission may delegate all or part of the authority  
 21-6 and procedures for issuing advisory opinions under this section to  
 21-7 an employee of the department [~~commission~~].

21-8 SECTION 65. Section 2001.152, Occupations Code, is amended  
 21-9 by amending Subsection (b) and adding Subsection (c) to read as  
 21-10 follows:

21-11 (b) Notwithstanding Subsection (a) and subject to  
 21-12 Subsection (c), a person who was a licensed commercial lessor on  
 21-13 June 10, 1989, whose license has been in effect continuously since  
 21-14 that date, and who is otherwise eligible for the license may renew  
 21-15 the license.

21-16 (c) The commission may place an administrative hold on the  
 21-17 license of a licensed commercial lessor described by Subsection (b)  
 21-18 for a period the commission determines not to exceed 10 years. If  
 21-19 the administrative hold on the license remains on the last day of  
 21-20 that period:

21-21 (1) the commission shall remove the administrative  
 21-22 hold; and

21-23 (2) the lessor is not eligible to renew the license as  
 21-24 a continuous license holder under Subsection (b).

21-25 SECTION 66. Section 2001.557, Occupations Code, is amended  
 21-26 by amending Subsection (a) and adding Subsection (c) to read as  
 21-27 follows:

21-28 (a) The department [~~commission~~], its officers or agents, or  
 21-29 a state, municipal, or county peace officer may enter and inspect  
 21-30 the contents of premises where:

21-31 (1) bingo is being conducted or intended to be  
 21-32 conducted; or

21-33 (2) equipment used or intended for use in bingo is  
 21-34 found.

21-35 (c) In developing and implementing a policy or procedure  
 21-36 under Subsection (b), the commission shall consult with the bingo  
 21-37 advisory committee established under Section 2001.057 to  
 21-38 collaboratively define and implement specific fiscal  
 21-39 accountability criteria for inspections of premises.

21-40 SECTION 67. Sections 2001.560(c), (c-1), (c-2), and (e),  
 21-41 Occupations Code, are amended to read as follows:

21-42 (c) The department [~~commission~~] or a person authorized in  
 21-43 writing by the department [~~commission~~] may examine the books,  
 21-44 papers, records, equipment, and place of business of a license  
 21-45 holder and may investigate the character of the license holder's  
 21-46 business to verify the accuracy of a return, statement, or report  
 21-47 made, or, if no return is made by the license holder, to ascertain  
 21-48 and determine the amount required to be paid.

21-49 (c-1) The commission by rule shall develop a policy for  
 21-50 auditing license holders. The department [~~bingo division~~] shall  
 21-51 use audit risk analysis procedures established by the commission  
 21-52 to:

21-53 (1) annually identify the [~~which~~] license holders  
 21-54 [~~are~~] most at risk of violating this chapter or rules adopted under  
 21-55 this chapter, including consideration of license holder compliance  
 21-56 history in the identification; and

21-57 (2) develop a plan for auditing the identified license  
 21-58 holders that includes:

21-59 (A) a schedule for the audits of the identified  
 21-60 license holders;

21-61 (B) procedures to annually update the plan based  
 21-62 on successive risk analyses; and

21-63 (C) a completion date for each audit that is not  
 21-64 later than the fifth anniversary of the date the license holder was  
 21-65 identified as a candidate for audit.

21-66 (c-2) The department [~~bingo division~~] shall provide to the  
 21-67 commission a copy of the auditing plan developed under Subsection  
 21-68 (c-1).

21-69 (e) If the department [~~commission~~] determines that a person

22-1 is not complying with this chapter, the department [~~commission~~]  
 22-2 shall notify the attorney general and the governing body of the  
 22-3 appropriate political subdivision.

22-4 SECTION 68. Subchapter B, Chapter 2312, Occupations Code,  
 22-5 is amended by adding Section 2312.0545 to read as follows:

22-6 Sec. 2312.0545. CENTER'S DEPARTMENT OF SECURITY. (a) The  
 22-7 center shall maintain a department of security within the center as  
 22-8 required by Section 466.020, Government Code.

22-9 (b) The center's department of security may identify and  
 22-10 respond to criminal activity related to financial crimes associated  
 22-11 with the state lottery and charitable bingo.

22-12 SECTION 69. Section 47.09(a), Penal Code, is amended to  
 22-13 read as follows:

22-14 (a) It is a defense to prosecution under this chapter that  
 22-15 the conduct:

- 22-16 (1) was authorized under:
  - 22-17 (A) Chapter 2001, Occupations Code;
  - 22-18 (B) Chapter 2002, Occupations Code;
  - 22-19 (C) Chapter 2004, Occupations Code;
  - 22-20 (D) Subtitle A-1, Title 13, Occupations Code

22-21 (Texas Racing Act); or

- 22-22 (E) Chapter 280, Finance Code;
- 22-23 (2) consisted entirely of participation in the state

22-24 lottery authorized by Chapter 466, Government Code; or

- 22-25 (3) was a necessary incident to the operation of the

22-26 state lottery and was directly or indirectly authorized by:

- 22-27 (A) Chapter 466, Government Code;
- 22-28 (B) [~~the lottery division of the Texas Lottery~~

22-29 ~~Commission,~~

22-30 [~~(C)~~] the Texas Department of Licensing and

22-31 Regulation [~~Lottery Commission~~]; or

22-32 (C) [~~(D)~~] the executive director of [~~the lottery~~

22-33 ~~division of]~~ the Texas Department of Licensing and Regulation

22-34 [~~Lottery Commission~~].

22-35 SECTION 70. Section 721.003(a), Transportation Code, is

22-36 amended to read as follows:

22-37 (a) The governing bodies of the following state agencies or

22-38 divisions by rule may exempt from the requirements of Section

22-39 721.002 a motor vehicle that is under the control and custody of the

22-40 agency or division:

- 22-41 (1) Texas Commission on Fire Protection;
- 22-42 (2) Texas State Board of Pharmacy;
- 22-43 (3) Department of State Health Services [~~and~~

22-44 ~~Department of Aging and Disability Services];~~

- 22-45 (4) Department of Public Safety of the State of Texas;
- 22-46 (5) Texas Department of Criminal Justice;
- 22-47 (6) Board of Pardons and Paroles;
- 22-48 (7) Parks and Wildlife Department;
- 22-49 (8) Railroad Commission of Texas;
- 22-50 (9) Texas Alcoholic Beverage Commission;
- 22-51 (10) Texas Department of Banking;
- 22-52 (11) Department of Savings and Mortgage Lending;
- 22-53 (12) Texas Juvenile Justice Department;
- 22-54 (13) Texas Commission on Environmental Quality;
- 22-55 (14) Texas Department of Licensing and Regulation

22-56 [~~Lottery Commission~~];

- 22-57 (15) the office of the attorney general;
- 22-58 (16) Texas Department of Insurance;
- 22-59 (17) Texas Military Department; and
- 22-60 (18) an agency that receives an appropriation under an

22-61 article of the General Appropriations Act that appropriates money

22-62 to the legislature.

22-63 SECTION 71. The following provisions are repealed:

- 22-64 (1) Section 232.0021, Family Code;
- 22-65 (2) Section 411.108, Government Code;
- 22-66 (3) Section 466.012, Government Code;
- 22-67 (4) Section 466.016, Government Code;
- 22-68 (5) Section 466.028, Government Code;
- 22-69 (6) Sections 467.001(1) and (2), Government Code;

- 23-1 (7) the heading to Section 467.001, Government Code;
- 23-2 (8) Section 467.002, Government Code;
- 23-3 (9) Section 467.021, Government Code;
- 23-4 (10) Section 467.022, Government Code;
- 23-5 (11) Section 467.023, Government Code;
- 23-6 (12) Section 467.024, Government Code;
- 23-7 (13) Section 467.0255, Government Code;
- 23-8 (14) Section 467.026, Government Code;
- 23-9 (15) Section 467.027, Government Code;
- 23-10 (16) Section 467.028, Government Code;
- 23-11 (17) Section 467.029, Government Code;
- 23-12 (18) Section 467.030, Government Code;
- 23-13 (19) Section 467.031, Government Code;
- 23-14 (20) Section 467.032, Government Code;
- 23-15 (21) Section 467.033, Government Code;
- 23-16 (22) Section 467.034, Government Code;
- 23-17 (23) Section 467.035, Government Code;
- 23-18 (24) Section 467.037, Government Code;
- 23-19 (25) Section 467.102, Government Code;
- 23-20 (26) Section 467.103, Government Code;
- 23-21 (27) Section 467.109, Government Code;
- 23-22 (28) Section 467.110, Government Code;
- 23-23 (29) Section 467.111, Government Code;
- 23-24 (30) the headings to Subchapters A, B, and C, Chapter
- 23-25 467, Government Code;
- 23-26 (31) the heading to Chapter 467, Government Code;
- 23-27 (32) Section 2001.051, Occupations Code;
- 23-28 (33) Section 2001.052, Occupations Code;
- 23-29 (34) Section 2001.060, Occupations Code;
- 23-30 (35) Section 2001.061, Occupations Code;
- 23-31 (36) Section 2001.307, Occupations Code; and
- 23-32 (37) Section 721.003(e), Transportation Code.
- 23-33 SECTION 72. (a) On September 1, 2025:
- 23-34 (1) all functions and activities performed by the
- 23-35 Texas Lottery Commission relating to the state lottery under
- 23-36 Chapter 466, Government Code, and the regulation of bingo
- 23-37 operations under Chapter 2001, Occupations Code, immediately
- 23-38 before that date are transferred to the Texas Commission of
- 23-39 Licensing and Regulation or the Texas Department of Licensing and
- 23-40 Regulation, as applicable;
- 23-41 (2) a rule, policy, procedure, decision, or form
- 23-42 adopted by the Texas Lottery Commission relating to Chapter 466 or
- 23-43 467, Government Code, or Chapter 2001, Occupations Code, is a rule,
- 23-44 policy, procedure, decision, or form of the Texas Commission of
- 23-45 Licensing and Regulation or the Texas Department of Licensing and
- 23-46 Regulation, as applicable, and remains in effect until amended or
- 23-47 repealed by that commission or department unless the rule, policy,
- 23-48 procedure, decision, or form conflicts with the changes in law made
- 23-49 by this Act;
- 23-50 (3) unless the context clearly indicates otherwise, a
- 23-51 reference to the Texas Lottery Commission in a law or
- 23-52 administrative rule that relates to Chapter 466 or 467, Government
- 23-53 Code, or Chapter 2001, Occupations Code, means the Texas Commission
- 23-54 of Licensing and Regulation or the Texas Department of Licensing
- 23-55 and Regulation, as applicable;
- 23-56 (4) a complaint, investigation, or other proceeding
- 23-57 before the Texas Lottery Commission that is related to Chapter 466
- 23-58 or 467, Government Code, or Chapter 2001, Occupations Code, is
- 23-59 transferred without change in status to the Texas Department of
- 23-60 Licensing and Regulation, and the Texas Department of Licensing and
- 23-61 Regulation assumes, as appropriate and without a change in status,
- 23-62 the position of the Texas Lottery Commission in an action or
- 23-63 proceeding to which the Texas Lottery Commission is a party;
- 23-64 (5) a license, permit, certification, or registration
- 23-65 in effect that was issued by the Texas Lottery Commission under
- 23-66 Chapter 466 or 467, Government Code, or Chapter 2001, Occupations
- 23-67 Code, is continued in effect as a license, permit, certification,
- 23-68 or registration of the Texas Department of Licensing and
- 23-69 Regulation;

24-1 (6) all money, contracts, leases, property, and  
 24-2 obligations of the Texas Lottery Commission relating to Chapter 466  
 24-3 or 467, Government Code, or Chapter 2001, Occupations Code, are  
 24-4 transferred to the Texas Department of Licensing and Regulation;  
 24-5 and

24-6 (7) the unexpended and unobligated balance of any  
 24-7 money appropriated by the legislature for the Texas Lottery  
 24-8 Commission related to Chapter 466 or 467, Government Code, or  
 24-9 Chapter 2001, Occupations Code, is transferred to the Texas  
 24-10 Department of Licensing and Regulation.

24-11 (b) On September 1, 2025, all full-time equivalent employee  
 24-12 positions at the Texas Lottery Commission that primarily concern  
 24-13 the administration, auditing, accounting, enforcement, or other  
 24-14 direct and indirect support of Chapter 466 or 467, Government Code,  
 24-15 or Chapter 2001, Occupations Code, become positions at the Texas  
 24-16 Department of Licensing and Regulation. When filling the  
 24-17 positions, the Texas Department of Licensing and Regulation shall  
 24-18 give first consideration to an applicant who, as of August 31, 2025,  
 24-19 was an employee at the Texas Lottery Commission primarily involved  
 24-20 in administering or enforcing Chapter 466 or 467, Government Code,  
 24-21 or Chapter 2001, Occupations Code.

24-22 (c) On and after September 1, 2025, the Texas Lottery  
 24-23 Commission shall grant the Texas Department of Licensing and  
 24-24 Regulation inquiry-only security access to:

24-25 (1) all licensing, enforcement, and examination  
 24-26 software or computer systems used by the Texas Lottery Commission  
 24-27 in administering or enforcing Chapter 466 or 467, Government Code,  
 24-28 or Chapter 2001, Occupations Code; and

24-29 (2) the uniform statewide accounting system, the state  
 24-30 property accounting system, the uniform statewide payroll system,  
 24-31 and the human resources information system for the Texas Lottery  
 24-32 Commission.

24-33 (d) On and after September 1, 2025, the Texas Lottery  
 24-34 Commission may agree with the Texas Department of Licensing and  
 24-35 Regulation to transfer any property of the Texas Lottery Commission  
 24-36 to the Texas Department of Licensing and Regulation to implement  
 24-37 the transfers required by this Act.

24-38 (e) The Texas Department of Licensing and Regulation and the  
 24-39 Texas Lottery Commission shall coordinate implementation of this  
 24-40 section. The Texas Lottery Commission shall cooperate with the  
 24-41 Texas Department of Licensing and Regulation in transferring all  
 24-42 data and records necessary to implement the transfers required by  
 24-43 this Act.

24-44 (f) Not later than December 1, 2025, the Texas Lottery  
 24-45 Commission and the Texas Department of Licensing and Regulation  
 24-46 shall develop and enter into a memorandum of understanding  
 24-47 regarding the transfers required by this Act. The memorandum must  
 24-48 include a transition plan with a timetable and specific steps and  
 24-49 deadlines required to complete the transfer.

24-50 (g) Not later than December 1, 2025, a manufacturer of bingo  
 24-51 equipment or supplies that submitted to the Texas Lottery  
 24-52 Commission a bond as required under Section 2001.204, Occupations  
 24-53 Code, before September 1, 2025, that is in effect on the effective  
 24-54 date of this Act must amend the bond to name the Texas Department of  
 24-55 Licensing and Regulation as the payee for the bond.

24-56 SECTION 73. The changes in law made by this Act to Chapter  
 24-57 2001, Occupations Code, apply only to a tax or fee charged on or  
 24-58 after September 1, 2025. A tax or fee charged before September 1,  
 24-59 2025, is governed by the law in effect immediately before that date,  
 24-60 and the former law is continued in effect for that purpose.

24-61 SECTION 74. (a) The change in law made by this Act applies  
 24-62 only to an offense committed on or after the effective date of this  
 24-63 Act. An offense committed before the effective date of this Act is  
 24-64 governed by the law in effect on the date the offense was committed,  
 24-65 and the former law is continued in effect for that purpose. For  
 24-66 purposes of this section, an offense was committed before the  
 24-67 effective date of this Act if any element of the offense occurred  
 24-68 before that date.

24-69 (b) Section 2001.152, Occupations Code, as amended by this

25-1 Act, applies to a license placed on an administrative hold on or  
25-2 after the effective date of this Act.

25-3 SECTION 75. Not later than December 1, 2025, the Texas  
25-4 Commission of Licensing and Regulation shall:

25-5 (1) appoint members to the lottery advisory committee  
25-6 and adopt rules to govern the operations of the committee as  
25-7 required by Section 51.217, Occupations Code, as added by this Act;

25-8 (2) appoint members to the bingo advisory committee  
25-9 and adopt rules to govern the operations of the committee as  
25-10 required by Section 2001.057, Occupations Code, as amended by this  
25-11 Act; and

25-12 (3) adopt rules necessary to implement this Act.

25-13 SECTION 76. Not later than December 1, 2026, the Texas  
25-14 Department of Licensing and Regulation shall submit to the Sunset  
25-15 Advisory Commission and each standing committee of the legislature  
25-16 with primary jurisdiction over the state lottery or regulation of  
25-17 charitable bingo any legislative recommendations necessary to  
25-18 improve the lottery or charitable bingo.

25-19 SECTION 77. This Act takes effect September 1, 2025.

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