

By: Hall

S.B. No. 1990

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the operation and administration of the state lottery
3 and repeal of the prohibition on imposing taxes on lottery tickets
4 or prizes.

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

6 SECTION 1. Section 466.015(c), Government Code, is amended
7 to read as follows:

8 (c) The commission may adopt rules governing the
9 establishment and operation of the lottery, including rules
10 governing:

11 (1) the type of lottery games to be conducted;

12 (2) subject to Section 466.251(d), the price of each
13 ticket;

14 (3) the number of winning tickets and amount of the
15 prize paid on each winning ticket;

16 (4) the frequency of the drawing or selection of a
17 winning ticket.

18 (5) the number and types of locations at which a ticket
19 may be sold.

(6) the method to be used in selling a ticket;

24 (8) the manner of paying a prize to the holder of a

1 winning ticket;

2 (9) the investigation of possible violations of this

3 chapter or any rule adopted under this chapter;

4 (10) the means of advertising to be used for the

5 lottery;

6 (11) the qualifications of vendors of lottery services

7 or equipment;

8 (12) the confidentiality of information relating to

9 the operation of the lottery, including:

10 (A) trade secrets;

11 (B) security measures, systems, or procedures;

12 (C) security reports;

13 (D) bids or other information regarding the

14 commission's contracts, if disclosure of the information would

15 impair the commission's ability to contract for facilities, goods,

16 or services on terms favorable to the commission;

17 (E) personnel information unrelated to

18 compensation, duties, qualifications, or responsibilities; and

19 (F) information obtained by commission security

20 officers or investigators;

21 (13) the development and availability of a model

22 agreement governing the division of a prize among multiple

23 purchasers of a winning ticket purchased through a group purchase

24 or pooling arrangement;

25 (14) the criteria to be used in evaluating bids for

26 contracts for lottery facilities, goods, and services; or

27 (15) any other matter necessary or desirable as

1 determined by the commission, to promote and ensure:

2 (A) the integrity, security, honesty, and
3 fairness of the operation and administration of the lottery; and
4 (B) the convenience of players and holders of
5 winning tickets.

6 SECTION 2. Section [466.027](#)(b), Government Code, is amended
7 to read as follows:

8 (b) The commission shall:

9 (1) determine the ticket price subject to Section
10 [466.251](#)(d), payout amounts, and manner in which the game is
11 conducted;

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

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

17 SECTION 3. Section [466.155](#)(a), Government Code, is amended
18 to read as follows:

19 (a) After a hearing, the director shall deny an application
20 for a license or the commission shall suspend or revoke a license if
21 the director or commission, as applicable, finds that the applicant
22 or sales agent:

23 (1) is an individual who:

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

1 probation served for the offense;

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

3 (C) is married to an individual:

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

5 (ii) who is currently delinquent in the

6 payment of any state tax;

7 (D) is an officer or employee of the commission

8 or a lottery operator; or

9 (E) is a spouse, child, brother, sister, or

10 parent residing as a member of the same household in the principal

11 place of residence of a person described by Paragraph (D);

12 (2) is not an individual, and an individual described

13 in Subdivision (1):

14 (A) is an officer or director of the applicant or

15 sales agent;

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

17 applicant or sales agent;

18 (C) holds an equitable interest greater than 10

19 percent in the applicant or sales agent;

20 (D) is a creditor of the applicant or sales agent

21 who holds more than 10 percent of the applicant's or sales agent's

22 outstanding debt;

23 (E) is the owner or lessee of a business that the

24 applicant or sales agent conducts or through which the applicant

25 will conduct a ticket sales agency;

26 (F) shares or will share in the profits, other

27 than stock dividends, of the applicant or sales agent; or

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1 (G) participates in managing the affairs of the
2 applicant or sales agent:

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

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

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

10 (B) on land that is owned by:

11 (i) this state; or

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

15 (C) a location for which a person holds a wine and
16 malt beverage retailer's permit, mixed beverage permit, mixed
17 beverage permit with a retailer late hours certificate, private
18 club registration permit, or private club registration permit with
19 a retailer late hours certificate issued under Chapter 25, 28, 29,
20 or 32, Alcoholic Beverage Code, other than a location for which a
21 person holds a wine and malt beverage retailer's permit issued
22 under Chapter 25, Alcoholic Beverage Code, that derives less than
23 30 percent of the location's gross receipts from the sale or service
24 of alcoholic beverages; or

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

1 this chapter.

2 SECTION 4. Section [466.251](#), Government Code, is amended by
3 adding Subsection (d) to read as follows:

4 (d) The commission or lottery operator may not set a retail
5 price for an instant-ticket lottery game in an amount greater than
6 \$20 per ticket.

7 SECTION 5. Subchapter F, Chapter 266, Government Code, is
8 amended by adding Section 466.257 to read as follows:

9 Sec. 466.257. PROHIBITED VENDING MACHINE SALES. A ticket
10 may not be sold through a ticket dispensing machine that dispenses
11 lottery tickets without the assistance of a sales agent's
12 personnel.

13 SECTION 6. Section [466.355](#), Government Code, is amended by
14 adding Subsection (d) to read as follows:

15 (d) Notwithstanding any other provision of this section,
16 not less than 40 percent of the total revenue received from the sale
17 of tickets and license and application fees under this chapter
18 shall be deposited to the credit of:

19 (1) the foundation school fund; and
20 (2) the fund for veterans' assistance established by
21 Section [434.017](#).

22 SECTION 7. Section [466.004](#), Government Code, is repealed.

23 SECTION 8. As soon as practicable after the effective date
24 of this Act, the Texas Lottery Commission shall adopt, modify, or
25 repeal rules as necessary to implement the changes in law made by
26 this Act.

27 SECTION 9. Section [466.155](#)(a), Government Code, as amended

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1 by this Act, applies only to a sales agent license issued or renewed
2 on or after September 1, 2025.

3 SECTION 10. Section [466.355](#), Government Code, as amended by
4 this Act, applies only to a transfer from the state lottery account
5 made on or after the effective date of this Act.

6 SECTION 11. This Act takes effect September 1, 2025.