

By: Hall

S.B. No. 1990

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

- (1) the type of lottery games to be conducted;
- (2) subject to Section 466.251(d), the price of each ticket;
- (3) the number of winning tickets and amount of the prize paid on each winning ticket;
- (4) the frequency of the drawing or selection of a winning ticket;
- (5) the number and types of locations at which a ticket may be sold;
- (6) the method to be used in selling a ticket;
- (7) the use of vending machines or electronic or mechanical devices of any kind, other than machines or devices that dispense currency or coins as prizes;
- (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

determined by the commission, to promote and ensure:

(A) the integrity, security, honesty, and fairness of the operation and administration of the lottery; and

(B) the convenience of players and holders of winning tickets.

SECTION 2. Section 466.027(b), Government Code, is amended to read as follows:

(b) The commission shall:

(1) determine the ticket price subject to Section 466.251(d), payout amounts, and manner in which the game is conducted;

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

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

SECTION 3. Section 466.155(a), Government Code, is amended to read as follows:

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

(1) is an individual who:

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

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

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

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

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

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

(B) on land that is owned by:

(i) this state; or

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

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

(D) a location within 800 feet of the campus of a church or a public, private, or open-enrollment charter school; or

(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

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.