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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. _____

BY: Geren

1 Amend S.B. No. 3070 (senate engrossment) by striking all
2 below the enacting clause and substituting the following:

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

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

8 (1) an applicant for or the holder of:

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

11 (B) a license under Chapter 466;

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

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

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

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

20 (G) [~~E~~] an instructor license or motorcycle
21 school license under Chapter 662, Transportation Code;

22 (2) a person who is:

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

25 (B) a controlling person, as defined by Chapter
26 91, Labor Code, of an entity described by Paragraph (A); or

27 (3) a person who:

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

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

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

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

(1) any appropriate law enforcement agency;

(2) the Texas Department of Transportation;

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

(4) the Independent Bankers Association of Texas.

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

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

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

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

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

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

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

(1) the transfer of the state lottery program to the

1 department;

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

5 (3) whether the department remains the appropriate
6 agency to administer the state lottery program.

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

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

11 Sec. 466.014. POWERS AND DUTIES OF DEPARTMENT [~~COMMISSION~~]
12 AND EXECUTIVE DIRECTOR.

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

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

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

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

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

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

31 (2) apportionment of the total revenues from the sale

1 of tickets and from all other sources in the amounts provided by
2 this chapter;

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

5 (4) enforcement of prohibitions on a person playing or
6 facilitating the play of a lottery game by telephone or through an
7 Internet application or mobile Internet application in violation of
8 Section 466.318.

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

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

13 Sec. 466.0171. ANNUAL AUDIT. (a) The state auditor shall
14 annually conduct a comprehensive audit of the department's state
15 lottery program, including any department action taken relating to
16 the program.

17 (b) Each audit required by Subsection (a) must specifically
18 identify any lottery program action or activity that varies from a
19 lottery program action or activity identified in a preceding audit
20 conducted by the state auditor.

21 SECTION 9. Section 466.018, Government Code, is amended to
22 read as follows:

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

31 SECTION 10. Section 466.019, Government Code, is amended to

1 read as follows:

2 Sec. 466.019. ENFORCEMENT. (a) The executive director or
3 designated personnel of the department [~~commission~~] may
4 investigate violations of this chapter and violations of the rules
5 adopted under this chapter. After conducting investigations, the
6 executive director, a person designated by the department
7 [~~commission~~], or any law enforcement agency may file a complaint
8 with the district attorney of Travis County or with the district
9 attorney of the county in which a violation is alleged to have
10 occurred.

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

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

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

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

21 (a) The executive director shall maintain an office [~~a~~
22 ~~department~~] of security within the department [~~in the commission~~].
23 The office of security shall assist the executive director in
24 addressing any security-related matter arising under this chapter
25 or Chapter 2001, Occupations Code. The office may coordinate as
26 necessary with the financial crimes intelligence center
27 established under Chapter 2312, Occupations Code, for assistance
28 with investigations, to receive guidance on security-related
29 matters, and to provide information relevant to the office's
30 operations [~~The executive director shall appoint a deputy to~~
31 ~~administer the department. The deputy must be qualified by~~

1 ~~training and experience in law enforcement or security to~~
2 ~~supervise, direct, and administer the activities of the~~
3 ~~department].~~

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

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

18 SECTION 12. Section 466.022, Government Code, is amended to
19 read as follows:

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

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

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

29 (2) information of a nature that is designed to ensure
30 the integrity and security of the selection of winning tickets or
31 numbers in the lottery, other than information describing the

1 general procedures for selecting winning tickets or numbers;

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

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

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

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

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

14 (b) An investigation report or other document submitted by
15 the Department of Public Safety to the department [~~commission~~]
16 becomes part of the investigative files of the department
17 [~~commission~~] and is subject to discovery by a person that is the
18 subject of the investigation report or other document.

19 SECTION 14. Section 466.026, Government Code, is amended to
20 read as follows:

21 Sec. 466.026. AMBER ALERT. On receipt of notice by the
22 Department of Public Safety that the Statewide Texas Amber Alert
23 Network has been activated, the department [~~commission~~] shall
24 disseminate Amber Alert information at its retail locations through
25 the lottery operator system.

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

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

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

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

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

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

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

17 (d) The department [~~commission~~] shall encourage each sales
18 agent that sells tickets to instant-ticket games or similar types
19 of lottery games to sell tickets to the game operated under this
20 section.

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

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

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

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

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

5 (b) The department shall maintain the recording described
6 by Subsection (a) until at least the fifth anniversary of the
7 meeting date.

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

10 (b) Notwithstanding the provisions of Title 2, Utilities
11 Code, the department [~~commission~~] may negotiate rates and execute
12 contracts with telecommunications service providers for the
13 interexchange services necessary for the operation of the
14 lottery. The department [~~commission~~] may acquire transmission
15 facilities by lease, purchase, or lease-purchase. The acquisition
16 of transmission facilities must be done on a competitive bid basis
17 if possible.

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

20 (a) In all contracts for lottery equipment, supplies,
21 services, and advertising, the department [~~commission~~] and each
22 lottery operator shall give preference to equipment or supplies
23 produced in this state or services or advertising offered by
24 bidders from this state, the cost to the state and quality being
25 equal.

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

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

30 (1) inform minority businesses of opportunities to:

31 (A) provide lottery equipment and supplies to the

1 department [~~commission~~];

2 (B) provide services, including advertising, to

3 the department [~~commission~~] for the operation of the lottery; or

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

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

6 (3) award contracts for lottery equipment or supplies

7 to minority businesses when possible;

8 (4) award contracts for lottery services, including

9 advertising, to minority businesses when possible;

10 (5) license minority businesses as sales agents;

11 (6) monitor the effectiveness of the efforts to

12 increase the ability of minority businesses to do business with the

13 department [~~commission~~]; and

14 (7) require all bidders or contractors, when

15 appropriate, to include specific plans or arrangements to use

16 subcontracts with minority businesses.

17 (c) The department [~~commission~~] shall annually report to

18 the legislature and the governor on the level of minority business

19 participation as pertains to both the department's [~~commission's~~]

20 contracts and the licensing of sales agents. The report must

21 include recommendations for the improvement of minority business

22 opportunities in lottery-related business.

23 SECTION 20. Section 466.108, Government Code, is amended to

24 read as follows:

25 Sec. 466.108. TELEVISION CONTRACTS. If the drawing or

26 selection of winning tickets is televised under a contract with the

27 department [~~commission~~], the contract must be awarded by

28 competitive bid. The commission shall adopt rules governing the

29 competitive bidding process. Money received under the contract

30 shall be deposited in the state lottery account established under

31 Section 466.355.

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

3 Sec. 466.109. PUBLICITY OF INDIVIDUALS PROHIBITED. (a) A
4 state officer, including a commission member or the executive
5 director, or an officer or employee of the department [~~commission~~],
6 may not appear in an advertisement or promotion for the lottery that
7 is sponsored by the department [~~commission~~] or in a televised
8 lottery drawing. An advertisement or promotion for the lottery may
9 not contain the likeness or name of a state officer, including a
10 commission member or the executive director, or an officer or
11 employee of the department [~~commission~~].

12 (b) In connection with providing security for the lottery,
13 this section does not prohibit a security officer or investigator
14 employed by the department [~~commission~~] from appearing in a
15 televised lottery drawing or other promotion for the lottery that
16 is sponsored by the department [~~commission~~].

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

20 SECTION 22. Section 466.110, Government Code, is amended to
21 read as follows:

22 Sec. 466.110. PROHIBITED ADVERTISEMENTS. The legislature
23 intends that advertisements or promotions sponsored by the
24 department [~~commission or the division~~] for the lottery not be of a
25 nature that unduly influences any person to purchase a lottery
26 ticket or number.

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

29 (a) If the executive director authorizes a person who is not
30 an employee of the department [~~commission~~] to sell tickets, the
31 person must be licensed as a sales agent by the department

1 ~~[commission]~~.

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

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

9 (1) is an individual who:

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

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

16 (C) is married to an individual:

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

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

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

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

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

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

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

31 (C) holds an equitable interest greater than 10

1 percent in the applicant or sales agent;

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

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

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

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

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

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

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

19 (B) on land that is owned by:

20 (i) this state; or

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

24 (C) a location for which a person holds a wine and
25 malt beverage retailer's permit, mixed beverage permit, mixed
26 beverage permit with a retailer late hours certificate, private
27 club registration permit, or private club registration permit with
28 a retailer late hours certificate issued under Chapter 25, 28, 29,
29 or 32, Alcoholic Beverage Code, other than a location for which a
30 person holds a wine and malt beverage retailer's permit issued
31 under Chapter 25, Alcoholic Beverage Code, that derives less than

1 30 percent of the location's gross receipts from the sale or service
2 of alcoholic beverages; or

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

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

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

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

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

28 (a) The department [~~commission~~] may suspend a sales agent's
29 license summarily without notice or hearing if the department
30 [~~commission~~] finds that the action is necessary to maintain the
31 integrity, security, honesty, or fairness of the operation or

1 administration of the lottery or to prevent financial loss to the
2 state and:

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

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

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

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

14 (b) The department [~~commission~~] may summarily suspend a
15 sales agent's license if proceedings for a preliminary hearing
16 before the State Office of Administrative Hearings are initiated
17 simultaneously with the summary suspension. The preliminary
18 hearing shall be set for a date not later than 10 days after the date
19 of the summary suspension, unless the parties agree to a later date.

20 (d) To initiate a proceeding to summarily suspend a sales
21 agent's license, the department [~~commission~~] must serve notice to
22 the sales agent informing the agent of the right to a preliminary
23 hearing and of the time and place of the preliminary hearing. The
24 notice must be personally served on the sales agent or an officer,
25 employee, or agent of the sales agent or sent by certified or
26 registered mail, return receipt requested, to the sales agent's
27 mailing address as it appears on the department's [~~commission's~~]
28 records. The notice must state the alleged violations that
29 constitute grounds for summary suspension. The suspension is
30 effective at the time the notice is served. If notice is served in
31 person, the sales agent shall immediately surrender the license to

1 the department [~~commission~~]. If notice is served by mail, the sales
2 agent shall immediately return the license to the department
3 [~~commission~~]. If the sales agent uses an on-line electronic
4 terminal to sell tickets, the executive director or a lottery
5 operator on the instructions of the executive director may
6 terminate the connection of the terminal to the department's
7 [~~commission's~~] lottery computer at the time:

8 (1) the proceeding to summarily suspend the license is
9 initiated; or

10 (2) the department [~~division~~] discovers the sales
11 agent has failed to deposit money received from ticket sales, if the
12 sales agent's license is being summarily suspended under Subsection
13 (a)(1).

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

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

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

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

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

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

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

3 (3) a lottery operator or prospective lottery
4 operator;

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

8 (5) a person who manufactures or distributes lottery
9 equipment or supplies, or a representative of a person who
10 manufactures or distributes lottery equipment or supplies offered
11 to the lottery;

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

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

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

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

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

24 (B) holds more than 10 percent of the stock in the
25 person;

26 (C) holds an equitable interest greater than 10
27 percent in the person;

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

30 (E) is the owner or lessee of a business that the
31 person conducts or through which the person will conduct

1 lottery-related activities;

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

4 (G) participates in managing the affairs of the
5 person; or

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

8 (i) selling tickets; or

9 (ii) handling money from the sale of
10 tickets.

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

16 (1) the executive director or a prospective executive
17 director; or

18 (2) an employee or prospective employee of the
19 department who the executive director determines has or will have
20 access to sensitive or confidential data relating to this chapter
21 or Chapter 2001, Occupations Code ~~[commission]~~.

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

27 SECTION 28. Section 466.202, Government Code, is amended to
28 read as follows:

29 Sec. 466.202. FINGERPRINTS. (a) The executive director
30 may discharge from employment or ~~[an employee of the commission who~~
31 ~~fails to provide a complete legible set of fingerprints on~~

1 ~~request. The executive director may~~ refuse to consider, as
2 applicable, an employee or [a] prospective employee of the
3 department [commission] who fails to provide a complete legible set
4 of fingerprints for purposes of conducting an investigation and
5 obtaining criminal history record information under Section
6 466.201(b)(2) [on request].

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

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

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

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

25 SECTION 30. Section 466.204, Government Code, is amended to
26 read as follows:

27 Sec. 466.204. ACCESS TO INTERNAL REVENUE SERVICE
28 INFORMATION. The executive director may obtain information
29 relating to a person's qualification for licensing, employment, or
30 contracting under this chapter from the Internal Revenue Service
31 under a contract between the comptroller and the Internal Revenue

1 Service on:

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

4 (2) an employee or prospective employee of the
5 department [~~commission~~];

6 (3) a person required to be named in a license
7 application;

8 (4) a lottery operator or prospective lottery
9 operator;

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

13 (6) a person who manufactures or distributes lottery
14 equipment or supplies, or a representative of a person who
15 manufactures or distributes lottery equipment or supplies offered
16 to the lottery;

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

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

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

25 SECTION 31. Section 466.254, Government Code, is amended to
26 read as follows:

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

31 (1) a member, officer, or employee of a person that has

1 a contract with the department [~~commission~~] to sell or lease goods
2 or services used in the operation of the lottery, and the member,
3 officer, or employee is directly involved in selling or leasing the
4 goods or performing the services that are the subject of the
5 contract with the department [~~commission~~];

6 (2) a member, officer, or employee of a lottery
7 operator;

8 (3) an officer or employee of the department
9 [~~commission~~]; or

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

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

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

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

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

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

27 (1) in person;

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

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

31 Sec. 466.258. REQUIRED AGE VERIFICATION OF TICKET

1 PURCHASER; CRIMINAL OFFENSE. (a) A licensed sales agent or an
2 employee of a sales agent shall use an age verification process
3 prescribed by commission rule to verify the age of each ticket
4 purchaser at the point of sale.

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

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

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

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

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

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

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

31 (d) It is a defense to the application of Subsection (b)

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

5 (g) The commission or department may not take any
6 disciplinary action against a sales agent to whom Subsection (a)
7 applies if:

8 (1) the sales agent's employee electronically accessed
9 the electronically readable information on the ticket purchaser's
10 driver's license, commercial driver's license, or personal
11 identification certificate; and

12 (2) the transaction scan device used to electronically
13 access the purchaser's electronically readable information
14 identified the license or certificate as valid and the purchaser as
15 18 years of age or older on the purchase date.

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

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

21 (1) United States currency;

22 (2) a negotiable instrument in the form of a check that
23 meets the requirements of Section 3.104, Business & Commerce Code;

24 (3) a debit made through a financial institution debit
25 card;

26 (4) a coupon or voucher issued by the department
27 [~~commission~~] for purposes of purchasing a lottery ticket; or

28 (5) a mail order subscription on a mail order
29 subscription form authorized by the department [~~commission~~].

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

1 (b) A person commits an offense if the person knowingly
2 refuses to produce for inspection by the [~~director,~~] executive
3 director, department [~~commission~~], or state auditor a book, record,
4 or document required to be maintained or made by this chapter or a
5 rule adopted under this chapter.

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

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

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

14 (2) for compensation:

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

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

19 (C) arrange:

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

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

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

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

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

30 SECTION 38. Section 466.401(a), Government Code, is amended
31 to read as follows:

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

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

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

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

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

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

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

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

28 (1) a copy of the petition for the order and copies of
29 all notices of any hearing in the matter have been served on the
30 executive director not later than 20 days prior to any hearing or
31 entry of any order. The department [~~commission~~] may intervene in a

1 proceeding to protect the interests of the department [~~commission~~]
2 but shall not be considered an indispensable or necessary party. A
3 petition filed under this section shall include in the caption the
4 prize winner's name as it appears on the lottery claim form;

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

8 (3) the assignor provides a sworn and notarized
9 affidavit stating that the assignor:

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

13 (B) is not delinquent in payment of child support
14 under a court or administrative order issued in this state or
15 another state;

16 (C) has been advised regarding the assignment by
17 independent legal counsel and has had the opportunity to receive
18 independent financial and tax advice concerning the effects of the
19 assignment;

20 (D) understands that the assignor will not
21 receive the prize payments, or portions of the prize payments, for
22 the assigned years;

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

27 (F) has been provided a one-page written
28 disclosure statement stating, in boldfaced type, 14 points or
29 larger:

30 (i) the payments being assigned, by amounts
31 and payment dates;

1 (ii) the purchase price being paid, if any;
2 (iii) if a purchase price is paid, the rate
3 of discount to the present value of the prize, assuming daily
4 compounding and funding on the contract date; and
5 (iv) the amount, if any, of any origination
6 or closing fees that will be charged to the assignor; and
7 (G) was advised in writing, at the time the
8 assignment was signed, that the assignor had the right to cancel
9 without any further obligation not later than the third business
10 day after the date the assignment was signed.
11 (d) With respect to any given prize, the order shall also
12 recite and identify all prior assignments by amount of or fraction
13 of payment assigned, the identity of the assignee, and the date(s)
14 of payment(s) assigned. A court order obtained pursuant to this
15 section, together with all such prior orders, shall not require the
16 department [~~commission~~] to divide any single prize payment among
17 more than three different persons.
18 (f) A certified copy of a court order granted under this
19 section shall be delivered to the department [~~commission~~] and such
20 order must be provided to the department [~~commission~~] no later than
21 20 days prior to the date upon which the first assigned payment is
22 to be paid to the assignee. Within 20 days of receipt of the court
23 order, the department [~~commission~~] shall acknowledge in writing to
24 both the assignor and the assignee its receipt of said court order.
25 Unless the department [~~commission~~] provides written notice to the
26 assignor and assignee that the department [~~commission~~] cannot
27 comply with the court order, the department [~~commission~~] shall
28 thereafter make the prize payments in accordance with the court
29 order.
30 (g) The department [~~commission~~] shall establish and collect
31 a reasonable fee to defray any administrative expenses associated

1 with an assignment made under this section, including the cost to
2 the department [~~commission~~] of any processing fee imposed by a
3 private annuity provider. The department [~~commission~~] shall
4 establish the amount of the fee to reflect the direct and indirect
5 costs associated with processing the assignment.

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

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

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

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

31 SECTION 42. Subchapter I, Chapter 466, Government Code, is

1 amended by adding Section 466.412 to read as follows:

2 Sec. 466.412. REQUIRED FORM FOR PRIZE WINNERS.
3 Notwithstanding any other law, the director may not authorize
4 payment of a prize until the prize winner submits to the department
5 any form required by the Internal Revenue Service and the
6 department independently verifies the form information.

7 SECTION 43. Section 466.451, Government Code, is amended to
8 read as follows:

9 Sec. 466.451. MULTI JURISDICTION AGREEMENT AUTHORIZED. The
10 department [~~commission~~] may enter into a written agreement with the
11 appropriate officials of one or more other states or other
12 jurisdictions, including foreign countries, to participate in the
13 operation, marketing, and promotion of a multijurisdiction lottery
14 game or games. The commission may adopt rules relating to a
15 multijurisdiction lottery game or games.

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

18 (b) The department [~~commission~~] may deposit a portion of the
19 revenue received from the sale of multijurisdiction lottery game
20 tickets in this state into a fund shared with other parties to an
21 agreement under this subchapter for the payment of prizes awarded
22 in multijurisdiction lottery games in which the department
23 [~~commission~~] participates. The department [~~commission~~] may retain
24 that revenue in the fund for as long as necessary to pay prizes
25 claimed during the period designated for claiming a prize in the
26 multijurisdiction lottery game.

27 SECTION 45. Section 466.453, Government Code, is amended to
28 read as follows:

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

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

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

4 (1) conduct electronic data matches with the Texas
5 Department of Licensing and Regulation [~~Lottery Commission~~] to
6 determine whether a recipient of supplemental nutrition assistance
7 benefits or a recipient's household member received reportable
8 lottery winnings;

9 (2) use the database system developed under Section
10 532.0201 to:

11 (A) match vital statistics unit death records
12 with a list of individuals eligible for financial assistance or
13 supplemental nutrition assistance benefits; and

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

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

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

24 (b) The term means:

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

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

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

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

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

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

5 ~~[(7)]~~ the executive director of the ~~[bingo division of~~
6 ~~the]~~ Texas Department of Licensing and Regulation ~~[Lottery~~
7 ~~Commission]; or~~

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

9 (c) The term means a member of:

10 (1) the Public Utility Commission of Texas;

11 (2) the Texas Commission on Environmental Quality;

12 (3) the Texas Alcoholic Beverage Commission;

13 (4) the Finance Commission of Texas;

14 (5) the Texas Facilities Commission;

15 (6) the Texas Board of Criminal Justice;

16 (7) the board of trustees of the Employees Retirement
17 System of Texas;

18 (8) the Texas Transportation Commission;

19 (9) the Texas Department of Insurance;

20 (10) the Parks and Wildlife Commission;

21 (11) the Public Safety Commission;

22 (12) the Texas Ethics Commission;

23 (13) the State Securities Board;

24 (14) the Texas Water Development Board;

25 (15) the governing board of a public senior college or
26 university as defined by Section 61.003, Education Code, or of The
27 University of Texas Southwestern Medical Center, The University of
28 Texas Medical Branch at Galveston, The University of Texas Health
29 Science Center at Houston, The University of Texas Health Science
30 Center at San Antonio, The University of Texas M. D. Anderson Cancer
31 Center, The University of Texas Health Science Center at Tyler,

1 University of North Texas Health Science Center at Fort Worth,
2 Texas Tech University Health Sciences Center, Texas State Technical
3 College--Harlingen, Texas State Technical College--Marshall, Texas
4 State Technical College--Sweetwater, or Texas State Technical
5 College--Waco;
6 (16) the Texas Higher Education Coordinating Board;
7 (17) the Texas Workforce Commission;
8 (18) the board of trustees of the Teacher Retirement
9 System of Texas;
10 (19) the Credit Union Commission;
11 (20) the School Land Board;
12 (21) the board of the Texas Department of Housing and
13 Community Affairs;
14 (22) the Texas Racing Commission;
15 (23) the State Board of Dental Examiners;
16 (24) the Texas Medical Board;
17 (25) the Board of Pardons and Paroles;
18 (26) the Texas State Board of Pharmacy;
19 (27) the Department of Information Resources
20 governing board;
21 (28) the board of the Texas Department of Motor
22 Vehicles;
23 (29) the Texas Real Estate Commission;
24 (30) the board of directors of the State Bar of Texas;
25 (31) the Bond Review Board;
26 (32) the Health and Human Services Commission;
27 (33) the Texas Funeral Service Commission;
28 (34) the board of directors of a river authority
29 created under the Texas Constitution or a statute of this state; or
30 (35) ~~[the Texas Lottery Commission; or~~
31 ~~(36)]~~ the Cancer Prevention and Research Institute of

1 Texas.

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

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

7 SECTION 49. Sections 467.001(3), (4), (5), (6), (7), (8),
8 (9), (10), and (11), Government Code, are transferred to Section
9 51.001, Occupations Code, redesignated as Sections 51.001(1-b),
10 (2-a), (2-b), (4-a), (4-b), (4-c), (4-d), (4-e), and (4-f),
11 Occupations Code, and amended to read as follows:

12 (1-b) [~~(3)~~] "Communicate directly with" has the
13 meaning assigned by Section 305.002, Government Code.

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

19 (2-b) [~~(5)~~] "Legislation" has the meaning assigned by
20 Section 305.002, Government Code.

21 (4-a) [~~(6)~~] "Member of the legislative branch" has the
22 meaning assigned by Section 305.002, Government Code.

23 (4-b) [~~(7)~~] "Participated" means to have taken action
24 as an officer or employee through decision, approval, disapproval,
25 recommendation, giving advice, or similar action.

26 (4-c) [~~(8)~~] "Particular matter" includes an
27 investigation, an application, a request for a ruling or
28 determination, a license proceeding, rulemaking, a contract, a
29 controversy, a claim, a charge, an accusation, an arrest, or a
30 judicial or other proceeding.

31 (4-d) [~~(9)~~] "Person that has a significant financial

1 interest in the lottery" means:

2 (A) a person or a board member, officer, trustee,
3 or general partner of a person that manufactures, distributes,
4 sells, or produces lottery equipment, supplies, services, or
5 advertising;

6 (B) an employee of a person that manufactures,
7 distributes, sells, or produces lottery equipment, supplies,
8 services, or advertising and that employee is directly involved in
9 the manufacturing, distribution, selling, or production of lottery
10 equipment, supplies, services, or advertising;

11 (C) a person or a board member, officer, trustee,
12 or general partner of a person that has made a bid to operate the
13 lottery in the preceding two years or that intends to make a bid to
14 operate the lottery or an employee of the person if the employee is
15 directly involved in making the bid; or

16 (D) a sales agent.

17 (4-e) [~~4-10~~] "Political committee" has the meaning
18 assigned by Section 251.001, Election Code.

19 (4-f) [~~4-11~~] "Political contribution" has the meaning
20 assigned by Section 251.001, Election Code.

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

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

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

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

29 SECTION 51. Section 467.025, Government Code, is
30 transferred to Subchapter B, Chapter 51, Occupations Code,
31 redesignated as Section 51.061, Occupations Code, and amended to

1 read as follows:

2 Sec. 51.061 [~~467.025~~]. PROHIBITED CONDUCT. (a) A
3 commission member may not:

4 (1) accept any employment or remuneration from:

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

7 (B) a bingo commercial lessor, bingo
8 distributor, or bingo manufacturer;

9 (2) play any lottery or bingo game conducted in this
10 state;

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

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

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

19 (b) A commission member or former commission member or the
20 spouse of a commission member or former commission member may not
21 solicit or accept employment from a person regulated by the
22 commission before the second anniversary of the date on which the
23 commission member's service on the commission ends.

24 SECTION 52. Section 467.036, Government Code, is
25 transferred to Subchapter B, Chapter 51, Occupations Code,
26 redesignated as Section 51.062, Occupations Code, and amended to
27 read as follows:

28 Sec. 51.062 [~~467.036~~]. ACCESS TO CRIMINAL HISTORY
29 RECORDS. (a) The governor shall conduct an investigation of and
30 is entitled to obtain criminal history record information
31 maintained by the Department of Public Safety, the Federal Bureau

1 of Investigation Identification Division, or another law
2 enforcement agency relating to an individual the governor intends
3 to appoint to the commission.

4 (b) The department [~~commission~~] shall conduct an
5 investigation of and is entitled to obtain criminal history record
6 information maintained by the Department of Public Safety, the
7 Federal Bureau of Investigation Identification Division, or
8 another law enforcement agency relating to an individual the
9 department employs or [~~commission~~] intends to employ who has or
10 will have access to sensitive or confidential data relating to this
11 chapter, Chapter 466, Government Code, or Chapter 2001 of this
12 code.

13 SECTION 53. Section 467.101, Government Code, is
14 transferred to Subchapter D, Chapter 51, Occupations Code,
15 redesignated as Section 51.2011, Occupations Code, and amended to
16 read as follows:

17 Sec. 51.2011 [~~467.101~~]. POWERS AND DUTIES OF COMMISSION
18 REGARDING STATE LOTTERY AND BINGO REGULATION. (a) The commission
19 has broad authority and shall exercise strict control and close
20 supervision over all activities authorized and conducted in this
21 state under:

- 22 (1) Chapter 2001[~~, Occupations Code~~]; and
23 (2) Chapter 466, Government Code [~~of this code~~].

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

26 (c) The commission also has the powers and duties granted
27 under:

- 28 (1) Chapter 2001 [~~, Occupations Code~~]; and
29 (2) Chapter 466, Government Code [~~of this code~~].

30 SECTION 54. Section 467.104, Government Code, is
31 transferred to Subchapter D, Chapter 51, Occupations Code,

1 redesignated as Section 51.212, Occupations Code, and amended to
2 read as follows:

3 Sec. 51.212 [~~467.104~~]. LOTTERY AND BINGO PROGRAM RECORDS.

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

9 (b) The executive director shall keep the records described
10 by Subsection (a) [~~of the commission~~].

11 SECTION 55. Section 467.105, Government Code, is
12 transferred to Subchapter D, Chapter 51, Occupations Code,
13 redesignated as Section 51.213, Occupations Code, and amended to
14 read as follows:

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

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

28 SECTION 56. Section 467.106, Government Code, is
29 transferred to Subchapter D, Chapter 51, Occupations Code,
30 redesignated as Section 51.214, Occupations Code, and amended to
31 read as follows:

1 Sec. 51.214 [~~467.106~~]. GIFT OR POLITICAL CONTRIBUTION TO
2 OFFICER OR EMPLOYEE. (a) A commission member, the executive
3 director, or an employee of the department [~~commission~~] may not
4 intentionally or knowingly accept a gift or political contribution
5 from:

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

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

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

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

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

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

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

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

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

31 (4) is a political committee that is directly

1 established, administered, or controlled, in whole or in part, by a
2 person that has a significant financial interest in the lottery; or
3 (5) within the two years preceding the date of the gift
4 or contribution, won a lottery prize exceeding \$600 in amount or
5 value.

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

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

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

19 (1) a person that has a significant financial interest
20 in the lottery;

21 (2) a person related in the first degree of
22 consanguinity or affinity to a person that has a significant
23 financial interest in the lottery;

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

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

30 (5) a person who, within the two years preceding the
31 date of the gift or contribution, won a lottery prize exceeding \$600

1 in amount or value.

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

6 (1) has a significant financial interest in the
7 lottery;

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

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

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

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

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

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

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

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

1 department or commission ceases;

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

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

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

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

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

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

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

1 (1) one member with experience in lottery law
2 enforcement;

3 (2) one member with experience in lottery legal
4 matters; and

5 (3) one member with experience in lottery finance.

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

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

10 (e) The lottery advisory committee shall:

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

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

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

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

20 (5) perform other duties as determined by the
21 commission or department.

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

24 (1) member composition, appointment procedures, and
25 terms;

26 (2) quorum requirements for advisory committee
27 meetings;

28 (3) additional representation requirements for and
29 qualifications of advisory committee members, including experience
30 or geographic location;

31 (4) any necessary training requirements for advisory

1 committee members; and

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

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

6 (h) The commission may not adopt a rule that restricts the
7 lottery advisory committee from discussing any lottery-related
8 topic.

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

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

13 (1) includes a summary of lottery revenue, prize
14 disbursements, and other expenses for the state fiscal year
15 preceding the report;

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

18 (A) specific goals for the department; and

19 (B) an evaluation of:

20 (i) the department's overall performance on
21 lottery operations;

22 (ii) the effectiveness of specific lottery
23 programs and initiatives;

24 (iii) the efficiency of the department's
25 lottery operations;

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

28 (v) the factors affecting the amount of
29 lottery revenue received and disbursed, including ticket sales and
30 administrative efficiency;

31 (3) addresses the trends and issues related to

1 violations of state laws under the department's lottery and bingo
2 jurisdiction identified:

3 (A) in complaints submitted under Section 51.252
4 as analyzed to identify the trends and issues by alleged violation
5 type and to evaluate the effectiveness of the department's
6 enforcement process; and

7 (B) through an inspection, audit, or other means
8 of regulating lottery operations under Chapter 466, Government
9 Code, and bingo under Chapter 2001;

10 (4) includes for the preceding calendar year
11 charitable bingo information on:

12 (A) the total amount reported by licensed
13 authorized organizations of adjusted gross receipts from bingo
14 operations under Chapter 2001;

15 (B) the total amount reported by licensed
16 authorized organizations of net proceeds from bingo operations
17 under Chapter 2001; and

18 (C) a comparison of the amounts reported under
19 Paragraphs (A) and (B), including the percentage the net proceeds
20 represents compared to the adjusted gross receipts; and

21 (5) provides biennial recommendations to the
22 legislature on emerging trends, technological advancements,
23 regulatory developments, and market dynamics affecting the lottery
24 and bingo industries.

25 (b) For purposes of Subsection (a)(4):

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

29 (2) the department shall determine the total amount of
30 net proceeds in a manner that does not reduce gross receipts by the
31 amount of rent paid for the rental of bingo premises by a licensed

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

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

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

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

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

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

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

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

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

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

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

30 Sec. 2001.0501. ALLOCATION OF POWERS AND DUTIES. A power
31 granted or duty assigned to the commission under this chapter is a

1 power or duty of the executive director, the department, or the
2 commission, as established by commission rule.

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

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

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

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

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

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

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

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

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

30 (1) the public;

31 (2) charities that operate bingo games; and

1 (3) commercial and charity lessors that participate in
2 the bingo industry.

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

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

8 (1) advise the commission and department on the needs
9 and problems of the state's bingo industry;

10 (2) provide input [~~comment~~] on rules involving bingo
11 during their development and before final adoption unless an
12 emergency requires immediate action by the commission;

13 (3) report regularly [~~annually~~] to the commission and
14 department on the committee's activities; [~~and~~]

15 (4) regularly brief the commission and department on
16 advancements and challenges in this state's bingo industry; and

17 (5) perform other duties as determined by the
18 commission or department.

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

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

22 (1) to govern the operations of the bingo advisory
23 committee; and

24 (2) to prohibit the committee's involvement in
25 committee member selection.

26 (h) The commission may not adopt a rule that prohibits or
27 restricts the bingo advisory committee from discussing any
28 bingo-related topic. This subsection may not be construed to
29 require action by the commission on each item submitted by the
30 committee or otherwise alter the commission's decision-making
31 authority.

1 SECTION 67. Section 2001.058, Occupations Code, is amended
2 to read as follows:

3 Sec. 2001.058. PUBLIC INFORMATION. (a) The department
4 [~~commission~~] shall provide to any person on request a printed copy
5 of this chapter and the rules applicable to the enforcement of this
6 chapter.

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

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

11 (b) The commission shall respond to a request under
12 Subsection (a) not later than the later of the second commission
13 meeting or the 60th day after the date a request is received, unless
14 the commission determines that the request does not contain
15 sufficient facts to provide an answer on which the requestor may
16 rely. In that event, the commission shall request additional
17 information from the requestor not later than the 10th day after the
18 date the request is received. If the commission requests
19 additional information, the commission shall respond to the request
20 not later than the later of the second commission meeting or the
21 60th day after the date additional information is received pursuant
22 to the request for additional information.

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

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

29 (b) Notwithstanding Subsection (a) and subject to
30 Subsection (c), a person who was a licensed commercial lessor on
31 June 10, 1989, whose license has been in effect continuously since

1 that date, and who is otherwise eligible for the license may renew
2 the license.

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

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

10 (2) the lessor is not eligible to renew the license as
11 a continuous license holder under Subsection (b).

12 SECTION 70. Section 2001.557, Occupations Code, is amended
13 by amending Subsection (a) and adding Subsection (c) to read as
14 follows:

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

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

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

22 (c) In developing and implementing a policy or procedure
23 under Subsection (b), the commission shall consult with the bingo
24 advisory committee established under Section 2001.057 to
25 collaboratively define and implement specific fiscal
26 accountability criteria for inspections of premises.

27 SECTION 71. Sections 2001.560(c), (c-1), (c-2), and (e),
28 Occupations Code, are amended to read as follows:

29 (c) The department [~~commission~~] or a person authorized in
30 writing by the department [~~commission~~] may examine the books,
31 papers, records, equipment, and place of business of a license

holder and may investigate the character of the license holder's business to verify the accuracy of a return, statement, or report made, or, if no return is made by the license holder, to ascertain and determine the amount required to be paid.

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

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

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

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

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

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

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

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

SECTION 72. Section 47.09(a), Penal Code, is amended to read as follows:

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

1 the conduct:

2 (1) was authorized under:

3 (A) Chapter 2001, Occupations Code;

4 (B) Chapter 2002, Occupations Code;

5 (C) Chapter 2004, Occupations Code;

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

8 (E) Chapter 280, Finance Code;

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

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

13 (A) Chapter 466, Government Code;

14 (B) ~~[the lottery division of the Texas Lottery~~
15 ~~Commission];~~

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

18 (C) ~~[(D)]~~ the executive director of ~~[the lottery~~
19 ~~division of]~~ the Texas Department of Licensing and Regulation
20 ~~[Lottery Commission]~~.

21 SECTION 73. Section 721.003(a), Transportation Code, is
22 amended to read as follows:

23 (a) The governing bodies of the following state agencies or
24 divisions by rule may exempt from the requirements of Section
25 721.002 a motor vehicle that is under the control and custody of the
26 agency or division:

27 (1) Texas Commission on Fire Protection;

28 (2) Texas State Board of Pharmacy;

29 (3) Department of State Health Services ~~[and~~
30 ~~Department of Aging and Disability Services]~~;

31 (4) Department of Public Safety of the State of Texas;

1 (5) Texas Department of Criminal Justice;
2 (6) Board of Pardons and Paroles;
3 (7) Parks and Wildlife Department;
4 (8) Railroad Commission of Texas;
5 (9) Texas Alcoholic Beverage Commission;
6 (10) Texas Department of Banking;
7 (11) Department of Savings and Mortgage Lending;
8 (12) Texas Juvenile Justice Department;
9 (13) Texas Commission on Environmental Quality;
10 (14) Texas Department of Licensing and Regulation
11 ~~[Lottery Commission]~~;
12 (15) the office of the attorney general;
13 (16) Texas Department of Insurance;
14 (17) Texas Military Department; and
15 (18) an agency that receives an appropriation under an
16 article of the General Appropriations Act that appropriates money
17 to the legislature.

18 SECTION 74. The following provisions are repealed:

19 (1) Section 232.0021, Family Code;
20 (2) Section 411.108, Government Code;
21 (3) Section 466.012, Government Code;
22 (4) Section 466.016, Government Code;
23 (5) Section 466.020(b), Government Code;
24 (6) Section 466.028, Government Code;
25 (7) Sections 467.001(1) and (2), Government Code;
26 (8) the heading to Section 467.001, Government Code;
27 (9) Section 467.002, Government Code;
28 (10) Section 467.021, Government Code;
29 (11) Section 467.022, Government Code;
30 (12) Section 467.023, Government Code;
31 (13) Section 467.024, Government Code;

1 (14) Section 467.0255, Government Code;
2 (15) Section 467.026, Government Code;
3 (16) Section 467.027, Government Code;
4 (17) Section 467.028, Government Code;
5 (18) Section 467.029, Government Code;
6 (19) Section 467.030, Government Code;
7 (20) Section 467.031, Government Code;
8 (21) Section 467.032, Government Code;
9 (22) Section 467.033, Government Code;
10 (23) Section 467.034, Government Code;
11 (24) Section 467.035, Government Code;
12 (25) Section 467.037, Government Code;
13 (26) Section 467.102, Government Code;
14 (27) Section 467.103, Government Code;
15 (28) Section 467.109, Government Code;
16 (29) Section 467.110, Government Code;
17 (30) Section 467.111, Government Code;
18 (31) the headings to Subchapters A, B, and C, Chapter
19 467, Government Code;
20 (32) the heading to Chapter 467, Government Code;
21 (33) Section 2001.051, Occupations Code;
22 (34) Section 2001.052, Occupations Code;
23 (35) Section 2001.060, Occupations Code;
24 (36) Section 2001.061, Occupations Code;
25 (37) Section 2001.307, Occupations Code; and
26 (38) Section 721.003(e), Transportation Code.

27 SECTION 75. (a) On September 1, 2025:

28 (1) all functions and activities performed by the
29 Texas Lottery Commission relating to the state lottery under
30 Chapter 466, Government Code, and the regulation of bingo
31 operations under Chapter 2001, Occupations Code, immediately

1 before that date are transferred to the Texas Commission of
2 Licensing and Regulation or the Texas Department of Licensing and
3 Regulation, as applicable;

4 (2) a rule, policy, procedure, decision, or form
5 adopted by the Texas Lottery Commission relating to Chapter 466 or
6 467, Government Code, or Chapter 2001, Occupations Code, is a rule,
7 policy, procedure, decision, or form of the Texas Commission of
8 Licensing and Regulation or the Texas Department of Licensing and
9 Regulation, as applicable, and remains in effect until amended or
10 repealed by that commission or department unless the rule, policy,
11 procedure, decision, or form conflicts with the changes in law made
12 by this Act;

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

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

27 (5) a license, permit, certification, or registration
28 in effect that was issued by the Texas Lottery Commission under
29 Chapter 466 or 467, Government Code, or Chapter 2001, Occupations
30 Code, is continued in effect as a license, permit, certification,
31 or registration of the Texas Department of Licensing and

1 Regulation;

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

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

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

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

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

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

28 (d) The Texas Department of Licensing and Regulation and the
29 Texas Lottery Commission shall coordinate implementation of this
30 section. The Texas Lottery Commission shall cooperate with the
31 Texas Department of Licensing and Regulation in transferring all

1 data and records necessary to implement the transfers required by
2 this Act.

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

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

15 SECTION 76. The changes in law made by this Act to Chapter
16 2001, Occupations Code, apply only to a tax or fee charged on or
17 after September 1, 2025. A tax or fee charged before September 1,
18 2025, is governed by the law in effect immediately before that date,
19 and the former law is continued in effect for that purpose.

20 SECTION 77. (a) The change in law made by this Act applies
21 only to an offense committed on or after the effective date of this
22 Act. An offense committed before the effective date of this Act is
23 governed by the law in effect on the date the offense was committed,
24 and the former law is continued in effect for that purpose. For
25 purposes of this section, an offense was committed before the
26 effective date of this Act if any element of the offense occurred
27 before that date.

28 (b) Section 2001.152, Occupations Code, as amended by this
29 Act, applies to a license placed on an administrative hold on or
30 after the effective date of this Act.

31 SECTION 78. As soon as practicable after the effective date

1 of this Act, the Texas Commission of Licensing and Regulation shall
2 adopt rules necessary to implement this Act.

3 SECTION 79. On September 1, 2025, all full-time equivalent
4 employee positions at the Texas Lottery Commission become positions
5 at the Texas Department of Licensing and Regulation.

6 SECTION 80. (a) Not later than December 1, 2025, the Texas
7 Department of Licensing and Regulation shall initiate an
8 independent review of each existing contract of the Texas Lottery
9 Commission relating to Chapter 466 or 467, Government Code, or
10 Chapter 2001, Occupations Code, to determine whether to renew,
11 amend, or terminate the contract.

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

16 SECTION 81. Not later than March 1, 2026, the Texas
17 Commission of Licensing and Regulation shall:

18 (1) appoint members to the lottery advisory committee
19 and adopt rules to govern the operations of the committee as
20 required by Section 51.217, Occupations Code, as added by this Act;
21 and

22 (2) appoint members to the bingo advisory committee
23 and adopt rules to govern the operations of the committee as
24 required by Section 2001.057, Occupations Code, as amended by this
25 Act.

26 SECTION 82. Not later than December 1, 2026, the Texas
27 Department of Licensing and Regulation shall submit to the Sunset
28 Advisory Commission and each standing committee of the legislature
29 with primary jurisdiction over the state lottery or regulation of
30 charitable bingo any legislative recommendations necessary to
31 improve the lottery or charitable bingo.

1 SECTION 83. Not later than January 1, 2027, the Texas
2 Department of Licensing and Regulation shall submit the first
3 annual report required by Section 51.218, Occupations Code, as
4 added by this Act.

5 SECTION 84. Not later than August 31, 2028, the State
6 Auditor's Office shall complete the first annual audit required by
7 Section 466.0171, Government Code, as added by this Act.

8 SECTION 85. Unless otherwise provided by this Act, the
9 changes in law made by this Act apply beginning September 1, 2025.

10 SECTION 86. This Act takes effect immediately if it
11 receives a vote of two-thirds of all the members elected to each
12 house, as provided by Section 39, Article III, Texas Constitution.
13 If this Act does not receive the vote necessary for immediate
14 effect, this Act takes effect September 1, 2025.