

## **BILL ANALYSIS**

Senate Research Center

S.B. 76  
By: Haywood  
Finance  
4-2-97  
As Filed

### **DIGEST**

Currently, the revenue raised from lottery ticket sales is state revenue. Communities do not directly benefit from the amount of revenue raised within their jurisdictions. Basic functions such as road maintenance, fire and ambulance service, and law enforcement are becoming increasingly expensive to provide. Additionally, services designed to enrich a community, such as park and recreational facilities and public libraries, are equally expensive to maintain. This bill will provide for the transfer of certain lottery revenue from the state to local governments and establish requirements for receiving lottery revenue.

### **PURPOSE**

As proposed, S.B. 76 provides for the transfer of certain lottery revenue from the state to local governments and establishes requirements for receiving lottery revenue.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Lottery Commission in SECTION 4 (Section 466.3515(f), Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 466.002, Government Code, to define "local government" and "lottery revenue area." Makes conforming changes.

SECTION 2. Amends Section 466.004, Government Code, by adding Subsection (c), to provide that revenue received by a local government as provided by Section 466.351, Government Code, is not tax revenue.

SECTION 3. Amends Section 466.351, Government Code, as follows:

Sec. 466.351. DELIVERY OF FUNDS. Authorizes the director of the lottery division to require sales agents to establish separate electronic funds transfer accounts for the purposes of depositing, making, and receiving payments. Provides that money retained by a sales agent does not reduce the money received by a local government under Section 466.3515. Makes a conforming change.

SECTION 4. Amends Chapter 466H, Government Code, by adding Section 466. 3515, as follows:

Sec. 466.3515. LOTTERY REVENUE AREA. Sets forth the requirements for transferring lottery revenue from the state to local governments and notifying the director of boundary changes that may affect the lottery revenue area. Requires the Texas Lottery Commission to adopt rules necessary for the proper accounting and safeguarding of revenue transferred under this section.

SECTION 5. Amends Section 466.355(a), Government Code, to provide that the state lottery account consists of all revenue received from the sale of tickets less the amount transferred to local governments as provided by Section 466.3515.

SECTION 6. Amends Chapter 140, Local Government Code, by adding Section 140.008, as follows:

Sec. 140.008. LOTTERY REVENUE OF A LOCAL GOVERNMENT. Sets forth the requirements a local government must meet to receive lottery revenue. Authorizes a municipality to use lottery revenue received under Section 466.3515, Government Code, for any public purpose. Authorizes a county to use lottery revenue provided under Section 466.3515, Government Code, for any public purpose for which the general funds of the county may be used.

SECTION 7. (a) Effective date: September 1, 1997.

Makes application of this Act prospective to January 1, 1998.

(b) Requires the Texas Lottery Commission to establish rules relating to the collection and distribution of lottery revenue to local governments, as required by this Act, not later than November 1, 1997.

SECTION 8. Emergency clause.