

BILL ANALYSIS

Senate Research Center
88R20330 BEE-F

C.S.S.B. 1820
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State Affairs
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The legislature previously put into statute that the Lottery Commission shall adopt rules to prohibit a person from playing a lottery game by telephone. Since then, independent third-party couriers have entered the state and begun offering novel ways to play by facilitating the purchase of games via an application.

According to Texas Administrative Code, draw game tickets shall be sold only at the location listed on each retailer's license from the commission. The sale of a draw game lottery ticket at a licensed location means a lottery transaction in which all elements of the sale between the retailer and the purchaser must take place at the retailer location using its terminal, including the exchange of consideration, the exchange of the play slip if one is used, and the exchange of the draw game ticket.

Third-party couriers are not comprehended in current law, though it is the intent of the legislature to prohibit the play of lottery games by phone.

This bill amends Chapter 466 of the Government Code to prohibit the order, purchase, or sale of a lottery game by telephone or digitally by mobile device, including the facilitation of a game via a mobile application or website by an independent third-party courier. It requires the commission to adopt rules to enforce the prohibitions on the order or purchase of a game by mobile device.

We will have a committee substitute to make the bill a Legislative Council draft.

C.S.S.B. 1820 amends current law relating to the prohibited play and facilitation of play of a lottery game by telephone or through the Internet.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Lottery Commission is modified in SECTION 1 (Section 466.015, Government Code) of this bill.

Rulemaking authority is expressly granted to the Texas Lottery Commission in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 466.015, Government Code, by amending Subsection (b) and adding Subsection (b-2), as follows:

(b) Requires the Texas Lottery Commission (commission) to adopt rules to the extent they are not inconsistent with Chapters 551 (Open Meetings) and 552 (Public Information) governing the:

(1)-(3) makes no changes to these subdivisions; and

(4) enforcement of prohibitions on a person playing or facilitating the playing of a lottery game by telephone or through the Internet.

(b-2) Provides that for the purposes of Section 466.015 (Rules), a person:

(1) plays a lottery game by telephone or through the Internet if the person, by telephone or through an Internet application or mobile Internet application:

(A) orders or purchases a ticket for a game; or

(B) arranges for another person to purchase a ticket on behalf of the person playing the game; and

(2) facilitates the playing of a lottery game by telephone or through the Internet if the person, by telephone or through an Internet application or mobile Internet application:

(A) accepts orders for or sells tickets for the game; or

(B) arranges to purchase or for another person to purchase a ticket on behalf of the person playing the game.

SECTION 2. Requires the commission to adopt or amend rules as necessary to implement the changes in law made by this Act not later than January 1, 2024.

SECTION 3. Effective date: September 1, 2023.