

BILL ANALYSIS

H.B. 817
By: Moody
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

"Quick draw" lottery games, first launched in the United States decades ago, are similar to other Texas Lottery games, but the tickets are sold only at age-controlled locations that serve alcohol on-premises, such as a sports bar or restaurant. In these games the winning numbers are drawn several times an hour and displayed on television monitors in the establishment with the results of the game announced within minutes of purchase. These games are currently offered in nearly half of the 50 states with reports indicating more than \$4 billion in sales in 2020. With the restaurant and hospitality industry having been so negatively impacted by the COVID-19 pandemic, bringing these games to bars and restaurants could provide financial stability to business owners in desperate need. In addition, it has been projected that an estimated \$88 million in additional state revenue could be realized in the next biennium under the bill's provisions. H.B. 817 seeks to aid the restaurant and hospitality industry and the state budget by providing for the implementation of a quick draw lottery game.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Lottery Commission in SECTION 2 of this bill.

ANALYSIS

H.B. 817 amends the Government Code to require the Texas Lottery Commission to operate a quick draw lottery game in which a drawing occurs 12 to 15 times per hour between the hours of 7 a.m. and 2 a.m. The bill requires the lottery commission to do the following:

- determine the ticket price, payout amounts, and manner in which the quick draw lottery game is conducted;
- ensure the quick draw lottery game remains competitive with other lottery games offered by the lottery commission;
- restrict the locations authorized to sell quick draw lottery game tickets to only locations licensed as sales agents; and
- market and advertise the quick draw lottery game in a manner intended to inform the public that game tickets are available for purchase from licensed sales agents.

The bill authorizes the lottery commission to license as quick draw lottery game ticket sales agents only the holders of certain permits or licenses issued by the Texas Alcoholic Beverage Commission for locations that provide on-premises alcohol consumption. The bill clarifies that a quick draw lottery game ticket agent is exempt from license application denial or license suspension or revocation on the grounds of holding certain alcoholic beverage permits for a ticket sales location.

H.B. 817 requires the lottery commission, not later than January 1, 2022, to implement the quick draw lottery and to adopt the rules necessary to operate the game.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.