

- SUBJECT:** Allowing anonymity for certain lottery winners
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 7 ayes — Kuempel, Frullo, Geren, Goldman, Herrero, Paddie, S. Thompson
- 0 nays
- 2 absent — Guillen, Hernandez
- WITNESSES:** For — None
- Against — (*Registered, but did not testify*: Kelley Shannon, Freedom of Information Foundation of Texas)
- On — (*Registered, but did not testify*: Michael Anger and Deanne Rienstra, Texas Lottery Commission)
- BACKGROUND:** Government Code, ch. 466.022 exempts the street address and telephone number of a lottery prize winner from disclosure under the Public Information Act if the prize winner has not consented to the release of the information.
- Government Code, ch. 466.407 requires the executive director of the Texas Lottery Commission to deduct from lottery winnings delinquent tax debt, student debt, and child support payments.
- DIGEST:** HB 59 would allow a natural person, or the owner of a beneficial interest in a legal entity, who won a lottery prize of \$1 million or more and accepted the prize in one payout to choose to remain anonymous and prohibit all personally identifiable information from being released to the public. The winner could choose to remain anonymous and prohibit the release of information on the date the prize was claimed.

The commission could disclose the personal information of a natural person who requested anonymity and chose to receive winnings in periodic installments 30 days after the winner claimed the prize.

The bill would define the \$1 million prize as the total amount to be paid to a prize winner for a single lottery prize claim, whether paid in one payment or in periodic installments, before deducting any federal taxes or other deductions required by law.

HB 59 would not prohibit the release of a winner's city or county of residence or prevent the Texas Lottery Commission from releasing personally identifying information to the Health and Human Services Commission or as necessary to comply with laws regarding delinquent child support, tax, or student loan deductions.

The Texas Lottery Commission would adopt rules necessary to implement the bill's provisions by December 1, 2017.

The bill would take effect September 1, 2017, and apply only to a claim for a prize submitted to the Texas Lottery Commission on or after January 1, 2018.

**SUPPORTERS
SAY:**

HB 59 would help protect lottery winners who win \$1 million or more from predatory actors and unwanted attention. Currently, a lottery winner's name, city of residence, prize money and other details about the winning lottery game are available to the public, with only an individual's street address and telephone number exempt from a Public Information Act request.

This bill would expand the ability of lottery winners to protect their privacy. Although winners may create a trust and use a trustee to collect the prize money, this only protects winners who have consulted a lawyer before collecting their prize. Winners often do not realize that a trust would have helped protect their identity until it is too late. Even using a trust does not guarantee anonymity because certain identifying information can be acquired through Public Information Act requests.

Large lottery winners often become the subject of significant media scrutiny, which can become a matter of personal safety for these individuals. HB 59 appropriately would permanently prohibit the release of personally identifiable information at the request of winners who received the prize in a single payment. Such winners are more likely to be bothered or harmed than those who accept payment in installments.

The bill also would ensure that winners with child support and tax obligations could not keep their identities hidden from authorities through the anonymity option.

OPPONENTS
SAY:

HB 59 would reduce transparency in the lottery process, which involves a state agency making large payouts to individuals. Granting anonymity to lottery winners could harm the public perception of the Texas Lottery Commission and lead to skepticism about how fairly the lottery is run and where the money is going. This in turn could negatively impact lottery sales and revenue to the state.

The anonymity granted by the bill for winners would be unnecessary. Lottery winners already can maintain privacy by creating a trust to collect their winnings. A 2014 letter opinion from the Office of the Attorney General indicated that a trust agreement reflected personal financial decisions and therefore was not subject to disclosure requirements.

HB 59 also could diminish the effectiveness of investigations into people who claimed prizes through fraudulent or criminal activity. In the past, fraud has been reported because the public knew the identity of the lottery winner and witnesses came forth with evidence of misconduct.

The bill also would make it more difficult for the Texas Lottery Commission to conduct its "winner awareness" campaigns, which help increase participation in the lottery.