BILL ANALYSIS

Senate Research Center   S.B. 105
                                                                                     By: Nelson
                                                                                      Finance
                                                                                      4-28-97
                                                               Committee Report (Amended)

DIGEST

When the Texas Lottery was created in 1991, revenues beyond those required for operations costs and payment of prizes were assigned to the General Revenue Fund. Widespread public perception exists that the lottery funds were originally intended for education funding. This bill would transfer revenue derived from the state lottery to the foundation school fund.

PURPOSE

As proposed, S.B. 105 transfers revenue derived from the state lottery to the foundation school fund.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 466.355(b), Government Code, to authorize money in the state lottery account to be used only for certain purposes and requires the money to be transferred on or before the 15th day of each month in certain percentages to the general revenue fund, the Texas Education Agency, and the foundation school fund, rather than the unobligated portion of the general revenue, by the 15th day of each month, to be used as specified.

SECTION 2. Effective date: September 1, 1997.
              Make application of this Act prospective.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Amendment 1.

    Page 1, line 19, amends Subdivision (4), as follows:

    "(4) the balance, after creation of a reserve sufficient to pay the amounts needed or estimated to be needed under Subdivisions (1) through (3), to be transferred on or before the 15th day of each month as follows:

        (A) four percent of the funds set aside for Subdivision (1) to the credit of a special account in the general revenue fund to be used to fund tuition assistance grants under Subchapter G, Chapter 55, Education Code;

        (B) one percent of the balance to the Texas Education Agency for community-based adult literacy programs;

        (c) the remainder to the foundation school fund."