

BILL ANALYSIS

Senate Research Center

S.B. 1320
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Finance
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As Filed

DIGEST

Currently, the Texas Lottery Commission (commission) maintains \$20 million in a reserve account in the General Revenue Fund to cover retailers' potential defaults. The commission calculates the reserve amount by assuming a worst-case scenario: not being able to collect lottery ticket sale revenue from its five largest retailer accounts for two consecutive weeks. Of the five largest state lotteries, only Texas has a current reserve fund, and the lottery's retailer default history suggests that the reserve amount is greatly disproportionate to the actual risk. S.B. 1320 would limit the amount retained in the lottery pooled bond fund to \$5 million with the excess being deposited to the credit of the foundation school fund.

PURPOSE

As proposed, S.B. 1320 limits the amount of money retained in the lottery pooled bond 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 466.156(a), Government Code, to prohibit the total amount retained in a pooled bond fund from exceeding \$5 million.

SECTION 2. Effective date: September 1, 1999. Requires any amount in the pooled bond fund in excess of \$5 million on this date to be deposited to the credit of the foundation school fund.

SECTION 3. Emergency clause.