

SUBJECT: Moving Lottery Commission sunset date from 2011 to 2009

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 7 ayes — Flores, Geren, Hamilton, Jones, Miles, Quintanilla, Thompson
0 nays
2 absent — Isett, Goolsby

WITNESSES: For — None
Against — None
On — Anthony Sadberry, Texas Lottery Commission

BACKGROUND: Government Code, sec. 467.002 subjects the Texas Lottery Commission to the Texas Sunset Act and abolishes it in 2011 unless it is continued by the Legislature.

DIGEST: HB 1180 would move the sunset date of the Texas Lottery Commission from 2011 to 2009. The agency would be abolished in 2009 unless continued by the Legislature.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

SUPPORTERS SAY: HB 1180 is necessary to ensure that the Texas Lottery Commission (TLC) receives the appropriate level of legislative oversight.

Although TLC sunset bills were before the Legislature in 2005 and 2007, neither was approved. In 2007, rather than let the agency be abolished, the Legislature extended it until 2011, in HB 116 by Solomons, et al., which adjusted the Sunset Commission's review schedule. While this kept the lottery operating, it did not allow the Legislature to exercise its oversight

authority by examining and making changes to the agency's operations. HB 1180 would move the date under which the commission would be abolished from 2011 to 2009, allowing sunset review for the commission during this interim and allowing the 81st Legislature to act on revising and extending the agency.

Much of the discussion about the lottery in 2005 and 2007 centered on expanded gambling and not on agency operations. In recent years audit reports have identified management and operational issues, many of which have been addressed. However, these audits and changes have not been examined by the Legislature in the context of a comprehensive sunset review. The Legislature also may want to examine within the context of a sunset review other changes concerning the lottery, such as new technological advances.

HB 1180 would not burden the Sunset Commission, its staff, or the agency. These groups could build on the work done in 2005 and 2007. At the end of each legislative session, a bill is enacted that adjusts the Sunset Commission staff's workload and the same thing should occur this session to ensure a balanced schedule. Although 12 years between sunset reviews is the standard, this time frame often is adjusted.

**OPPONENTS
SAY:**

It would be best to leave the current sunset date of 2011 to allow the lottery to operate for a few years without the burden of another sunset review. The agency was extensively reviewed in 2005 and 2007, and the extension to 2011 recognized that the agency should be allowed to operate for a while before being reviewed again. Any individual changes necessary before 2011 could be enacted this session or in 2009.