

## BILL ANALYSIS

Senate Research Center  
79R5191 MSE-D

S.B. 1289  
By: Wentworth  
Finance  
3/31/2005  
As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law does not allow accredited universities and colleges to hold charitable lotteries. S.B. 1289 authorizes accredited colleges and universities, as defined by the Texas Education Code, to operate a one-time lottery to support the institution and award one or more motor vehicles as prizes. With the rising cost of higher education, this bill would provide colleges and universities a new creative way to raise revenue. These monies could be used to fund scholarships, endow professorships, or meet the other needs of the institution.

### RULEMAKING AUTHORITY

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

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter F, Chapter 466, Government Code, by adding Section 466.257, as follows:

Sec. 466.257. LOTTERY CONDUCTED BY STATE UNIVERSITY. (a) Defines "general academic teaching institution."

(b) Authorizes a general academic teaching institution to operate a one-time lottery for the purposes of raising revenue to support the institution and awarding one or more motor vehicles as prizes. Provides that a lottery conducted under this section is a state lottery authorized by Section 47(e), Article III, Texas Constitution. Specifies that, except as otherwise provided by this section, the other provisions of this chapter applicable to a lottery game conducted by the Texas Lottery Commission (commission) apply to a lottery conducted under this section.

(c) Authorizes the governing board of a general academic teaching institution operating a lottery under this section, notwithstanding the other provisions of this chapter, to perform certain actions related to the lottery.

(d) Requires the commission to provide technical assistance to a general academic teaching institution operating a lottery under this section so that activities conducted by the institution comply with the applicable requirements of this chapter.

(e) Requires the institution conducting the lottery to retain all revenue received from the sale of lottery tickets under this section, other than amounts the governing board pays to the commission or another person for services provided in connection with the lottery. Requires the institution to treat revenue retained by the institution as institutional funds and authorizes them to be used for any public purpose of the institution.

(f) Provides that this section expires September 1, 2006.

SECTION 2. Effective date: upon passage or September 1, 2005.