

By: Homer

H.B. No. 1241

A BILL TO BE ENTITLED

1 AN ACT

2 relating to insurance for lottery sales agents and lottery vendors  
3 to cover the theft or loss of certain lottery tickets and other  
4 items.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter B, Chapter 466, Government Code, is  
7 amended by adding Section 466.026 to read as follows:

8 Sec. 466.026. INSURANCE. (a) The commission shall provide  
9 a sales agent or lottery vendor who contracts with the commission to  
10 produce, store, distribute, transport, or sell lottery tickets with  
11 the option of purchasing insurance through the commission to cover  
12 the theft or other loss of scratch-off or other instant-win  
13 tickets.

14 (b) The commission may apply the insurance coverage to other  
15 lottery tickets, supplies, or equipment as the commission  
16 determines appropriate.

17 (c) The commission may purchase insurance from an insurance  
18 company or provide insurance through a self-insured program in  
19 accordance with commission rule.

20 (d) The commission may:

21 (1) include the cost of the insurance in the amount  
22 charged per bundle or other bulk amount of tickets in the possession  
23 of a sales agent or lottery vendor; or

24 (2) charge an annual fee to a sales agent or a lottery

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1        vendor in an amount necessary to cover the cost of purchasing or  
2        providing insurance and based on the average yearly volume of  
3        tickets in the possession of the agent or vendor.

4            (e) The commission may require a sales agent or lottery  
5        vendor to purchase insurance provided under this section for a term  
6        of up to one year, subject to optional renewal for a new term at the  
7        end of each term.

8            SECTION 2. Not later than March 1, 2004, the Texas Lottery  
9        Commission shall adopt the rules and procedures necessary to  
10      purchase or provide insurance coverage under Section 466.026,  
11      Government Code, as added by this Act.

12        SECTION 3. This Act takes effect September 1, 2003.