

By: Homer

H.B. No. 1241

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

(d) The commission may:

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

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

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.