

**STORAGE NAME:** h0707.br.doc  
**DATE:** February 23, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
BUSINESS REGULATION  
ANALYSIS**

**BILL #:** HB 707 (PCB BR 01-01)  
**RELATING TO:** State Lottery Commission  
**SPONSOR(S):** Committee on Business Regulation  
**TIED BILL(S):** None

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) BUSINESS REGULATION YEAS 10 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
- 

I. SUMMARY:

This bill abolishes the State Lottery Commission and deletes references to the Commission throughout Chapter 24.

Passage of this legislation will result in a cost savings to the state of approximately \$14,400 annually.

The bill will take effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Florida Lottery was established by the Legislature in 1987 [codified as Chapter 24, Florida Statutes] in order to implement Article X, Section 15 of the State Constitution. Section 24.106, Florida Statutes, created the State Lottery Commission within the Department of the Lottery. The Lottery Commission is comprised of five members that are appointed for four-year terms by the Governor. Commission members must be residents of the state and may not serve more than two consecutive four-year terms.

The stated purpose of the Lottery Commission is to serve as a resource for the Department of the Lottery and provide private-sector perspectives on the operation of a large marketing enterprise. Additionally, s. 24.106, Florida Statutes, requires that the Lottery Commission review the performance of the department and provides that the Commission may:

- Advise the secretary and make recommendations to the secretary regarding operations of the department.
- Identify potential improvements in the Lottery Act, the rules of the department, and the management of the department.
- Request from the department any information the commission determines to be relevant to its duties; and
- Regularly report to the secretary, the Governor, the President of the Senate, and the Speaker of the House of Representatives regarding its findings and recommendations.

A previous interim project, conducted by the House Committee on Regulated Industries during the 1994 and 1995 interims, reviewed the function and effectiveness of the Lottery Commission. Included in the findings from this review, staff noted that the commission met irregularly and that the role of that particular commission, as well as previous commissions, was unclear other than to provide advice of a general nature to the department. Staff concluded that there was no clear evidence that the services of the commission, as it was then functioning, were necessary or of significant value to the operation of the state lottery.

Subsequent to that committee interim project, the Boards and Councils Reduction Initiative was enacted during the 1999 Legislative Session [Chapter 99-255, Laws of Florida] and required that a review of existing boards, councils, and commissions be conducted. Each agency in the executive branch was required to survey each board, commission and other such entity under its jurisdiction and recommend whether the entity should be abolished, continued or revised. This information was provided to the Department of Management Services [DMS] where it was compiled into a report entitled *Boards and Commissions Review*, January 2000.

As reported in the *Boards and Commissions Review*, the Department of the Lottery, after consultation with Lottery Commission members, recommended that the Commission be abolished. According to this review, the consensus among commission members and Lottery executive staff was that the Lottery Commission did not significantly enhance the Lottery's mission of maximizing revenue transfers to the Educational Enhancement Trust Fund. At the December 13, 2000 Lottery Commission meeting [teleconference] the three attending commissioners discussed and expressed their agreement that, in the absence of additional authority and/or an expanded role, the commission should be abolished.

C. EFFECT OF PROPOSED CHANGES:

This bill abolishes the State Lottery Commission and conforms various sections of Chapter 24 by deleting references to the Lottery Commission.

D. SECTION-BY-SECTION ANALYSIS:

**Section 1.** Repeals subsection (3) of s. 24.123 and s. 24.106, Florida Statutes, which creates the State Lottery Commission.

**Sections 2. – 4.** Amend ss. 24.105, 24.108 and 24.123, Florida Statutes, to delete references to the State Lottery Commission.

**Section 5.** Provides that the act will take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This bill will reduce annual expenditures associated with the State Lottery Commission by approximately \$14,400.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON BUSINESS REGULATION:

Prepared by:

Staff Director:

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Janet Clark Morris

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M. Paul Liepshutz

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