

RESOLUTION CALLING FOR THE ABOLITION OF THE TEXAS LOTTERY

WHEREAS the Texas Lottery is a primary and longstanding form of government-sponsored predatory gambling in which the State of Texas partners with itself to exploit and defraud its own citizens and communities through the sale of highly addictive, instant scratch-off games and draw tickets; and

WHEREAS predatory gambling, including the Texas Lottery, is not harmless entertainment but a con — it is fixed, with a built-in house edge that guarantees the operator (in this case, the State) always wins the longer citizens play, constituting a form of consumer financial fraud akin to banned false advertising or price-gouging on essential goods, as graphically demonstrated by the downward spiral of player losses over repeated plays; and

WHEREAS the Texas Lottery markets its most addictive high-price instant games disproportionately in low-income neighborhoods, preying on those least able to afford losses with false promises of instant wealth, while the State acts as both aggressive promoter and regulator in a fundamental and irreconcilable conflict of interest: the State is charged with protecting the public from the very business practices that, in this case, generate more revenue for the State; and

WHEREAS a glaring example is the aggressive marketing and sale of \$100 Texas Lottery scratch-off tickets in low-income communities where many citizens earn the minimum wage of \$7.25 per hour and must work two full days to afford a single ticket that can be lost in five seconds on a product pushed by their own state government; and

WHEREAS in Fiscal Year 2025 the Texas Lottery generated \$7.91 billion in sales and transferred roughly \$1.81 billion to the State (including approximately \$1.78 billion to the Foundation School Fund for public education and a record \$31.2 million to veterans' services), yet this revenue merely substitutes for general-fund appropriations rather than increasing total education spending beyond historical trends, represents only about 3% of overall public education funding, has never fulfilled the 1991 voter-approved promise to significantly reduce school property taxes or fully fund education, and functions as a regressive tax that falls hardest on lower-income Texans; and

WHEREAS the Texas Lottery was operated for years in a manner that the Texas Senate publicly described as involving “massive lies, cheating, theft, deception, cover-ups, and organized crime,” culminating in the 2023 Lotto Texas jackpot scandal in which a London-based international gambling syndicate, working through Lottery.com and affiliated couriers, purchased millions of tickets in bulk using dozens of special ticket-printing terminals at four Texas Lottery-licensed retailers — Hooked on Montana in Colleyville, Luck Zone in Round Rock, ALTX Management in Waco, and Lottery.com in Spicewood (Austin area); video evidence and Senate testimony revealed that minors and children of syndicate associates actively participated by manning the machines around the clock to cover nearly all 26 million possible combinations and

guarantee a win on a \$95 million jackpot (ultimately paid out at approximately \$57–58 million after taxes); and

WHEREAS this scandal prompted Governor Greg Abbott to direct a Texas Rangers investigation, led to the abrupt retirement of Executive Director Gary Grief, the resignation of Deputy Director Ryan Mindell and multiple commissioners, and the Legislature’s passage of Senate Bill 3070, which abolished the Texas Lottery Commission itself, transferred operations to the Texas Department of Licensing and Regulation effective September 1, 2025, and banned lottery couriers — yet the underlying predatory lottery institution continues to operate because of the Legislature’s refusal to replace its revenue with other general revenue funds; and

WHEREAS the Texas Lottery inflicts the same documented harms as all predatory gambling — exploiting and manipulating children and youth through pervasive advertising that normalizes gambling as a path to wealth, perpetuating poverty and financial ruin for families, inflicting life-changing addictions, and ultimately leaving behind higher taxes and worse state budget problems for all Texans who do not gamble; and

WHEREAS the people of Texas are worth more than the revenue generated by preying upon them;

BE IT FINALLY RESOLVED that we call for the complete abolition of the Texas Lottery as a cruel, oppressive, and failed institution of predatory gambling; we oppose its continued operation in any form under any agency; we urge the Texas Legislature to enact legislation (including any necessary constitutional amendment) to wind down and permanently abolish the Texas Lottery, redirect any remaining funds to the general revenue or true education priorities without reliance on gambling, and vigorously enforce existing laws to prevent circumvention or replacement schemes; and

THEREFORE, BE IT RESOLVED that the Republican Party of Texas make the abolition of the Texas Lottery and the prohibition of any further expansion of gambling in Texas—including casinos, sports betting, online gambling, prediction markets, or other predatory forms—a top Legislative Priority for the upcoming sessions, consistent with the Party’s platform opposition to gambling expansion (Plank 65 of the 2024 RPT Platform) and its commitment to limited government, personal responsibility, and protecting vulnerable Texans from exploitation; and that the Republican Party of Texas call upon all Republican legislators to prioritize and advance legislation achieving these goals, decline campaign contributions from gambling interests, PACs, and lobbyists, and work to repeal any remaining loopholes enabling predatory gambling, including the vague “fuzzy animal” exemption; and

THEREFORE, LET IT BE RESOLVED, that a copy of this resolution be sent to the _____ County/Senate District # _____ Convention Resolutions Committee from Precinct # _____ with the recommendation that it be passed and sent to the State Convention Platform Committee of the Republican Party of Texas.