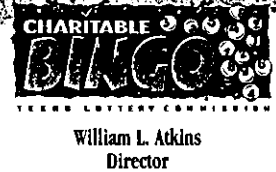




Texas Lottery Commission
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RQ-0247-8

OPINION COMMITTEE

The Honorable John Cornyn
Attorney General of Texas
P.O. Box 12548
Austin, Texas

Via Certified Mail: P 329 284 375
Return Receipt Requested

FILE # ML-41473-00
I.D. # 41473

Dear General Cornyn:

This is a request for an Attorney General's Opinion regarding the application and meaning of Chapters 466 and 2161, Texas Government Code and Section 9-9.03, General Appropriations Act, 76th Legislature, Regular Session in connection with Texas Lottery Commission ("Commission") purchases, including purchases for the acquisition or provision of facilities, supplies, equipment, materials, or services related to the operation of the lottery.

Background: The Commission enters into a contract with a vendor who provides goods and/or services to the Commission. The Commission establishes a good faith minority business or Historically Underutilized Business ("HUB") participation goal for the vendor. The vendor enters into a contract with a minority business or HUB to provide goods and/or services in connection with the contract the vendor has with the Commission. The minority business or HUB is a supplier or broker of goods to the Commission's vendor. Such goods are used by the Commission's vendor in connection with providing the goods and/or services to the Commission. The minority business or HUB purchases or obtains all or part of the goods provided to the Commission's vendor from a non-minority business or non-HUB entity. The Commission's vendor counts the dollars it pays to the minority business or HUB toward its good faith minority or HUB participation goal.

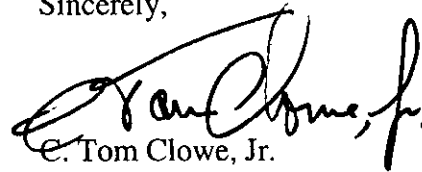
Specifically, the Commission's questions are as follows:

1. Whether or to what extent may purchases made through a minority business or HUB "pass-through" entity or broker be counted toward the good faith minority business participation goal contemplated by the State Lottery Act, the HUB goal contemplated by Chapter 2161, Texas Government Code, or the HUB goal contemplated by Section 9-9.03, General Appropriations Act, 76th Legislature, Regular Session?

2. If purchases made through a minority or HUB "pass-through" entity or broker may be counted toward the good faith minority participation or HUB goal, is the amount to be counted toward the goal the total amount of goods and services purchased from the non-minority manufacturer through the minority or HUB "pass-through" entity or broker or the amount actually retained by the minority or HUB "pass-through" entity or broker for its services?

Thank you in advance for your thoughts and consideration in this matter. Please contact the Commission's General Counsel, Kimberly L. Kiplin, at (512)344-5105 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Tom Clowe, Jr.", written in a cursive style.

C. Tom Clowe, Jr.
Chairman