

An Act relating to amusements and sports and crimes and punishments; creating the "State Lottery Act"; providing short title; defining terms; creating the State Lottery Division within the Oklahoma Tax Commission; stating function of the Division; specifying powers and duties of Tax Commission; requiring certain rules and regulations; requiring certain report and certain audit be presented to the Governor and the Legislature; requiring certain portions of security audit report be confidential; prohibiting lotteries based upon bingo or any athletic contest with exception; requiring witnessing of drawings and examination of drawing equipment; applying restrictions to members of the Tax Commission, the Director and employees; construing act; specifying qualifications, powers and duties of Director of the Division; requiring performance bond; prohibiting payment of same lottery prize more than once; prohibiting payment of prize under certain circumstances; prohibiting contracts which provide for management or operation of lottery by entities other than state; requiring disclosure of certain information from suppliers; requiring certain entities supply same information required of suppliers; requiring supplier to pay costs of background investigation; allowing Tax Commission or Attorney General to conduct investigation; granting investigators peace officer power; prohibiting contracts with certain persons; prohibiting enforcement of contracts with the state under certain conditions; requiring certain financial information from suppliers; authorizing Director to issue, suspend, revoke or renew licenses for sales agents; specifying certain requirements of licensing rules and regulations; stating grounds for suspension, revocation or nonrenewal of license; stating that persons and certain entities may be licensed sales agents; prohibiting licensing of certain persons as sales agents; requiring certain records be kept; allowing Division to require certain information or audit; requiring license to specify place of sales; prohibiting license of certain places; providing that license is not assignable or transferable; requiring license applicant to pay costs of background investigation; allowing investigators peace officer powers during investigation; allowing Tax Commission or Attorney General to conduct investigation; prohibiting sale of ticket at unauthorized price or place; prohibiting sale to minor; allowing minor to receive ticket as gift; prohibiting forgery, counterfeiting or alteration of ticket; prohibiting purchase of ticket by or payment of prize to certain persons; providing penalties; authorizing Director to use distribution agencies and authorizing payment of reasonable fee for such services; creating the State Lottery Fund and providing procedures thereto; providing procedures for payment into and expenditures and transfers from fund; limiting terms; requiring repayment of appropriations; requiring investment of monies in said fund; prohibiting claims for and payment of Division expenses except by lottery funds; prohibiting use of other state monies for lottery expenses; stating powers and duties of State Treasurer in regard to lottery funds; requiring State Treasurer be paid expenses from State Lottery Fund; requiring Tax Commission to notify State Treasurer of amount of funds to transfer to General Revenue Fund; prohibiting transfer of appropriation of balance of funds until certain conditions are met; allowing certain investments; requiring operation of Lottery Division so that it is self-sustaining; providing for apportionment of revenues; creating Lottery Disbursement Fund; specifying distribution of revenue accruing to the state; requiring an annual postaudit; requiring audit report be filed with Governor and Legislature; requiring annual report; requiring such report be open to the public; requiring Attorney General and others to provide legal services for division; stating duties of Attorney General; specifying that certain expenses of Attorney General be paid from the State Lottery Fund; stipulating that lottery advertising must

state odds of winning and rate of return; requiring certain expenses be paid from the State Lottery Fund; amending 21 O.S. 2001, Sections 1051, 1066 and 1067, which relate to prohibitions against lotteries; prohibiting conducting of or participation in lottery except pursuant to provisions of act; providing penalty; prohibiting pyramid schemes; providing for injunctions against such schemes; repealing 21 O.S. 2001, Sections 1052, 1053, 1054, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064 and 1065, which relate to prohibitions against lotteries; providing for codification; repealing conflicting laws; providing severability; and providing an effective date.