

ENROLLED SENATE
BILL NO. 1089

By: Wilcoxson of the Senate

and

Kern, Banz, Cooksey, DePue,
Duncan, Hilliard, Shelton,
Sherrer, Shumate, Terrill,
and Wesselhoft of the House

An Act relating to amusement and sports; amending Section 18, Chapter 58, O.S.L. 2003 (3A O.S. Supp. 2005, Section 717), which relates to the Oklahoma Education Lottery Act; prohibiting certain businesses from being issued a certificate of authority as a lottery retailer; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 18, Chapter 58, O.S.L. 2003 (3A O.S. Supp. 2005, Section 717), is amended to read as follows:

Section 717. A. The people of this state recognize that to conduct a successful lottery, the Oklahoma Lottery Commission must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets or shares and the playing of lottery games while ensuring the integrity of the lottery operations, games, and activities.

B. The Commission shall make every effort to provide small retailers a chance to participate in the sales of lottery tickets or shares.

C. The Commission shall provide for compensation to lottery retailers in the form of commissions in an amount of not less than two percent (2%) of gross sales and may provide for other forms of compensation for services rendered in the sale or cashing of lottery tickets or shares.

D. The Commission shall issue a certificate of authority to each person with whom it contracts as a retailer for purposes of display for each location at which tickets or shares are offered for sale. Every lottery retailer shall post and keep conspicuously displayed in a location on the premises accessible to the public its certificate of authority. No certificate of authority shall be assignable or transferable.

E. The board of trustees of the Oklahoma Lottery Commission shall develop a list of objective criteria upon which the qualification of lottery retailers shall be based. Separate criteria shall be developed to govern the selection of retailers of instant tickets. In developing these criteria, the board shall consider such factors as the financial responsibility of the applicant, security of the place of business or activity of the applicant, accessibility to the public, integrity, and reputation. The board shall not consider political affiliation, activities, or contributions to political committees or candidates for any public office. The criteria shall include, but not be limited to, the following:

1. The applicant shall be current in filing all applicable tax returns to the State of Oklahoma and in payment of all taxes, interest, and penalties owed to the State of Oklahoma, excluding items under formal appeal pursuant to applicable statutes. An applicant who has entered into and is abiding by a payment agreement with the Oklahoma Tax Commission shall be deemed current in payment of such taxes, penalties and interest. Notwithstanding the provisions of Section 205 of Title 68 of the Oklahoma Statutes, the Oklahoma Tax Commission shall provide this information to the Commission;

2. No person, partnership, unincorporated association, corporation, or other business entity or principal, officer or director of a corporation or other business entity shall be selected as a lottery retailer who:

- a. has been convicted of or is awaiting sentencing on a plea of guilt or nolo contendere to a criminal offense related to the security or integrity of the lottery in this or any other jurisdiction,
- b. has been convicted of or is awaiting sentencing on a plea of guilt or nolo contendere to any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction or convicted of or is awaiting sentencing on a plea of guilt or nolo contendere to any crime punishable by more than one (1) year of imprisonment or a fine of more than One Thousand Dollars (\$1,000.00) or both, unless the civil rights of the person have been restored and at least five (5) years have elapsed from the date of the completion of the sentence without a subsequent conviction of a crime described in this subparagraph,
- c. has been found to have violated the provisions of the Oklahoma Education Lottery Act or any rule, policy, or procedure of the Commission unless either ten (10) years have passed since the violation or the board finds the violation both minor and unintentional in nature,
- d. is a vendor or any employee or agent of any vendor doing business with the Commission,

- e. resides in the same household as the executive director, any board member, or any employee of the Commission,
- f. has made a statement of material fact to the Commission knowing such statement to be false, or
- g. is engaged exclusively in the business of selling lottery tickets or shares. This subparagraph shall not preclude the Commission from selling or giving away lottery tickets or shares for promotional purposes;

3. Persons applying to become lottery retailers shall be charged a uniform application fee for each lottery outlet;

4. Any lottery retailer contract executed pursuant to this section may, for good cause, be suspended, revoked, or terminated by the executive director or designee if the retailer is found to have violated any provisions of the Oklahoma Education Lottery Act or objective criteria established by the board. Review of such activities shall be in accordance with the procedures outlined in the Oklahoma Education Lottery Act and shall not be subject to the Administrative Procedures Act; and

5. All lottery retailer contracts may be renewable annually in the discretion of the Commission unless sooner canceled or terminated.

F. No certificate of authority to act as a lottery retailer shall be issued to any applicant doing business or who holds a license to do business as a pawnbroker, supervised lender, or deferred deposit lender, also known as a payday lender, or whose primary business is categorized as a check casher.

G. No lottery retailer or applicant to be a lottery retailer shall pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, to the executive director, any board member, or any employee of the Commission, or to any person related to any such person within the third degree of consanguinity or affinity.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 8th day of May, 2006.

Presiding Officer of the Senate

Passed the House of Representatives the 17th day of April, 2006.

Presiding Officer of the House
of Representatives