

3 **Senate Bill No. 1332**
4 **As Amended**

5 SENATE BILL NO. 1332 - By: LAWLER of the Senate and HILLIARD of the
6 House.

7 [**amusement and sports - Oklahoma Education Lottery Act -**
8 **prohibiting certain businesses being lottery retailer -**
9 **emergency]**

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

11 SECTION 1. AMENDATORY Section 18, Chapter 58, O.S.L.
12 2003 (3A O.S. Supp. 2005, Section 717), is amended to read as
13 follows:

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

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

23 C. The Commission shall provide for compensation to lottery
24 retailers in the form of commissions in an amount of not less than
25 two percent (2%) of gross sales and may provide for other forms of

1 compensation for services rendered in the sale or cashing of lottery
2 tickets or shares.

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

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

22 1. The applicant shall be current in filing all applicable tax
23 returns to the State of Oklahoma and in payment of all taxes,

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

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

13 a. has been convicted of or is awaiting sentencing on a
14 plea of guilt or nolo contendere to a criminal offense
15 related to the security or integrity of the lottery in
16 this or any other jurisdiction,

17 b. has been convicted of or is awaiting sentencing on a
18 plea of guilt or nolo contendere to any illegal
19 gambling activity, false statements, false swearing,
20 or perjury in this or any other jurisdiction or
21 convicted of or is awaiting sentencing on a plea of
22 guilt or nolo contendere to any crime punishable by
23 more than one (1) year of imprisonment or a fine of

1 more than One Thousand Dollars (\$1,000.00) or both,
2 unless the civil rights of the person have been
3 restored and at least five (5) years have elapsed from
4 the date of the completion of the sentence without a
5 subsequent conviction of a crime described in this
6 subparagraph,
7 c. has been found to have violated the provisions of the
8 Oklahoma Education Lottery Act or any rule, policy, or
9 procedure of the Commission unless either ten (10)
10 years have passed since the violation or the board
11 finds the violation both minor and unintentional in
12 nature,
13 d. is a vendor or any employee or agent of any vendor
14 doing business with the Commission,
15 e. resides in the same household as the executive
16 director, any board member, or any employee of the
17 Commission,
18 f. has made a statement of material fact to the
19 Commission knowing such statement to be false, or
20 g. is engaged exclusively in the business of selling
21 lottery tickets or shares. This subparagraph shall
22 not preclude the Commission from selling or giving

1 away lottery tickets or shares for promotional
2 purposes;

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

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

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

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

21 G. No lottery retailer or applicant to be a lottery retailer
22 shall pay, give, or make any economic opportunity, gift, loan,
23 gratuity, special discount, favor, hospitality, or service, to the

1 executive director, any board member, or any employee of the
2 Commission, or to any person related to any such person within the
3 third degree of consanguinity or affinity.

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

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-21-06 - DO PASS,
9 As Amended and Coauthored.