

3 Senate Bill No. 880
4 As Amended

5 SENATE BILL NO. 880 - By: MORGAN of the Senate and MORGAN (Danny) of
6 the House.

7 [amusements and sports - Oklahoma Education Lottery Act -
8 modifying -
9 emergency]

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

11 SECTION 1. AMENDATORY Section 25, Chapter 58, O.S.L.
12 2003 (3A O.S. Supp. 2004, Section 724), is amended to read as
13 follows:

14 Section 724. A. Proceeds of any lottery prize shall be subject
15 to the Oklahoma state income tax.

16 B. Attachments, garnishments, or executions authorized and
17 issued pursuant to law shall be withheld if timely served upon the
18 Oklahoma Lottery Commission. This subsection shall not apply to
19 payment of prizes by a retailer.

20 C. The Commission shall adopt policies and procedures to
21 establish a system of verifying the validity of tickets or shares
22 claimed to win prizes and to effect payment of the prizes, except
23 that:

24 1. No prize, any portion of a prize, or any right of any person
25 to a prize awarded shall be assignable. Any prize or any portion of

1 a prize remaining unpaid at the death of a prize winner shall be
2 paid to the estate of the deceased prize winner or to the trustee of
3 a trust established by the deceased prize winner as settlor if a
4 copy of the trust document or instrument has been filed with the
5 Commission along with a notarized letter of direction from the
6 settlor and no written notice of revocation has been received by the
7 Commission prior to the death of the settlor. Following the death
8 of a settlor and prior to any payment to a successor trustee, the
9 Commission shall obtain from the trustee a written agreement to
10 indemnify and hold the Commission harmless with respect to any
11 claims that may be asserted against the Commission arising from
12 payment to or through the trust. Notwithstanding any other
13 provisions of this section, any person, pursuant to an appropriate
14 judicial order, shall be paid the prize to which a winner is
15 entitled;

16 2. No prize shall be paid arising from claimed tickets that
17 are:

18 a. stolen, counterfeit, altered, fraudulent, unissued,
19 produced or issued in error, unreadable, not received,
20 or not recorded by the Commission within applicable
21 deadlines,

1 b. lacking in captions that conform and agree with the
2 play symbols as appropriate to the particular lottery
3 game involved, or

4 c. not in compliance with such additional public or
5 confidential validation and security tests of the
6 Commission appropriate to the particular lottery game
7 involved;

8 3. No particular prize in any lottery game shall be paid more
9 than once, and in the event of a determination that more than one
10 claimant is entitled to a particular prize, the sole remedy of the
11 claimants is the award to each of them of an equal share in the
12 prize; and

13 4. A holder of a winning cash ticket or share from a lottery
14 game shall claim a cash prize within one hundred eighty (180) days,
15 or for a multistate or multisovereign lottery game within one
16 hundred eighty (180) days, after the drawing in which the cash prize
17 was won. In any Oklahoma lottery game in which the player may
18 determine instantly if the player has won or lost, the player shall
19 claim a cash prize within ninety (90) days, or for a multistate
20 lottery game within one hundred eighty (180) days, after the end of
21 the lottery game. If a valid claim is not made for a cash prize
22 within the applicable period, the cash prize shall constitute an
23 unclaimed prize for purposes of the Oklahoma Education Lottery Act.

1 D. No prize shall be paid upon a ticket or share purchased or
2 sold in violation of the Oklahoma Education Lottery Act. Any such
3 prize shall constitute an unclaimed prize for purposes of the
4 Oklahoma Education Lottery Act.

5 E. The Commission is discharged of all liability upon payment
6 of a prize.

7 F. No ticket or share shall be purchased by and no prize shall
8 be paid to any member of the board of trustees of the Oklahoma
9 Lottery Commission, any officer or employee of the Commission, or to
10 any spouse, child, brother, sister, or parent residing as a member
11 of the same household in the principal place of residence of any
12 such person. No ticket or share shall be purchased by and no prize
13 shall be paid to any officer, employee, agent, or subcontractor of
14 any vendor or to any spouse, child, brother, sister, or parent
15 residing as a member of the same household in the principal place of
16 residence of any such person if the officer, employee, agent, or
17 subcontractor has access to confidential information which may
18 compromise the integrity of the lottery.

19 G. Unclaimed prize money shall not constitute net lottery
20 proceeds. The first Five Hundred Thousand Dollars (\$500,000.00) of
21 unclaimed prize money accruing annually shall be transferred to the
22 ~~Department of Human Services~~ Department of Mental Health and
23 Substance Abuse Services for the treatment of compulsive gambling

1 disorder and educational programs related to such disorder. All
2 other unclaimed prize money shall be added to the pool from which
3 future prizes are to be awarded or used for special prize
4 promotions.

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

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-23-05 - DO
10 PASS, As Amended and Coauthored.