

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 1441

6 By: Banz

7 COMMITTEE SUBSTITUTE

8 ( Schools - amending Section 14, Chapter 58, O.S.L.

9 2003, as last amended by Section 3, Chapter 355,

10 O.S.L. 2007 (3A O.S. Supp. 2007, Section 713) -

11 Oklahoma Education Lottery Trust Fund - Common

12 Education Lottery Revolving Fund - codification -

13 effective date -

14 emergency )

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

19 SECTION 1. AMENDATORY Section 14, Chapter 58, O.S.L.

20 2003, as last amended by Section 3, Chapter 355, O.S.L. 2007 (3A

21 O.S. Supp. 2007, Section 713), is amended to read as follows:

22 Section 713. A. All gross proceeds shall be the property of

23 the Oklahoma Lottery Commission. From its gross proceeds, the

24 Commission shall pay the operating expenses of the Commission. At

1 least forty-five percent (45%) of gross proceeds shall be made  
2 available as prize money. However, the provisions of this  
3 subsection shall be deemed not to create any lien, entitlement,  
4 cause of action, or other private right, and any rights of holders  
5 of tickets or shares shall be determined by the Commission in  
6 setting the terms of its lottery or lotteries. For each fiscal  
7 year, net proceeds shall equal at least thirty-five percent (35%) of  
8 the gross proceeds. However, for the purpose of repaying  
9 indebtedness issued pursuant to Section 33 of this act, for the  
10 first two (2) full fiscal years and any partial first fiscal year of  
11 the Commission, net proceeds need only equal at least thirty percent  
12 (30%) of the gross proceeds. All of the net proceeds shall be  
13 transferred to the Oklahoma Education Lottery Trust Fund as provided  
14 in subsection B of this section.

15 B. There is hereby created in the State Treasury a fund to be  
16 designated the "Oklahoma Education Lottery Trust Fund". On or  
17 before the fifteenth day of each calendar quarter, the Commission  
18 shall transfer to the State Treasurer, for credit to the Oklahoma  
19 Education Lottery Trust Fund, the amount of all net proceeds  
20 accruing during the preceding calendar quarter. Expenditures from  
21 the fund shall be made upon warrants issued by the State Treasurer  
22 against claims filed as prescribed by law with the Director of State  
23 Finance for approval and payment.

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1        Upon their deposit into the State Treasury, any monies  
2 representing a deposit of net proceeds shall then become the  
3 unencumbered property of this state, and neither the Commission nor  
4 the board of trustees shall have the power to agree or undertake  
5 otherwise. The monies shall be invested by the State Treasurer in  
6 accordance with state investment practices. All earnings  
7 attributable to such investments shall likewise be the unencumbered  
8 property of the state and shall accrue to the credit of the fund.

9        C. Monies in the Oklahoma Education Lottery Trust Fund shall  
10 only be appropriated as follows:

11        1. Forty-five percent (45%) for the ~~following:~~

12            a. ~~kindergarten through twelfth grade public education,~~  
13            ~~including but not limited to compensation and benefits~~  
14            ~~for public school teachers and support employees, and~~

15            b. ~~early childhood development programs, which shall~~  
16            ~~include but not be limited to costs associated with~~  
17            ~~prekindergarten and full-day kindergarten programs~~

18            Common Education Lottery Revolving Fund, as created in  
19            Section 2 of this act;

20        2. Forty-five percent (45%) for the following:

21            a. tuition grants, loans and scholarships to citizens of  
22            this state to enable such citizens to attend colleges  
23            and universities located within this state, regardless  
24            of whether such colleges and universities are owned or

1 operated by the Oklahoma State Regents for Higher  
2 Education, or to attend institutions operated under  
3 the authority of the Oklahoma Department of Career and  
4 Technology Education; provided such tuition grants,  
5 loans and scholarships shall not be made to a citizen  
6 of this state to attend a college or university which  
7 is not accredited by the Oklahoma State Regents for  
8 Higher Education,

9 b. construction of educational facilities for elementary  
10 school districts, independent school districts, the  
11 Oklahoma State System of Higher Education, and career  
12 and technology education,

13 c. capital outlay projects for elementary school  
14 districts, independent school districts, the Oklahoma  
15 State System of Higher Education, and career and  
16 technology education,

17 d. technology for public elementary school district,  
18 independent school district, state higher education,  
19 and career and technology education facilities, which  
20 shall include but not be limited to costs of providing  
21 to teachers at accredited public institutions who  
22 teach levels kindergarten through twelfth grade,  
23 personnel at technology centers under the authority of  
24 the Oklahoma State Department of Career and Technology

1 Education, and professors and instructors within the  
2 Oklahoma State System of Higher Education, the  
3 necessary training in the use and application of  
4 computers and advanced electronic instructional  
5 technology to implement interactive learning  
6 environments in the classroom and to access the state-  
7 wide distance learning network and costs associated  
8 with repairing and maintaining advanced electronic  
9 instructional technology,

10 e. endowed chairs for professors at institutions of  
11 higher education operated by the Oklahoma State System  
12 of Higher Education, and

13 f. programs and personnel of the Oklahoma School for the  
14 Deaf and the Oklahoma School for the Blind;

15 3. Five percent (5%) to the School Consolidation and Assistance  
16 Fund; and

17 4. Five percent (5%) to the Teachers' Retirement System  
18 Dedicated Revenue Revolving Fund.

19 D. The Legislature shall appropriate funds from the Oklahoma  
20 Education Lottery Trust Fund only for the purposes specified in  
21 subsection C of this section. Even when funds from the trust fund  
22 are used for these purposes, the Legislature shall not use funds  
23 from the trust fund to supplant or replace other state funds  
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1 supporting common education, higher education, or career and  
2 technology education.

3 E. In order to ensure that the funds from the trust fund are  
4 used to enhance and not supplant funding for education, the State  
5 Board of Equalization shall examine and investigate appropriations  
6 from the trust fund each year. At the meeting of the State Board of  
7 Equalization held within five (5) days after the monthly  
8 apportionment in February of each year, the State Board of  
9 Equalization shall issue a finding and report which shall state  
10 whether appropriations from the trust fund were used to enhance or  
11 supplant education funding. If the State Board of Equalization  
12 finds that education funding was supplanted by funds from the trust  
13 fund, the Board shall specify the amount by which education funding  
14 was supplanted. In this event, the Legislature shall not make any  
15 appropriations for the ensuing fiscal year until an appropriation in  
16 that amount is made to replenish the trust fund.

17 F. Except as otherwise provided by this subsection, no  
18 deficiency in the Oklahoma Education Lottery Trust Fund shall be  
19 replenished by reducing any nonlottery funds, including specifically  
20 but without limitation, the General Revenue Fund, the Constitutional  
21 Reserve Fund or the Education Reform Revolving Fund of the State  
22 Department of Education. No program or project started specifically  
23 from lottery proceeds shall be continued from the General Revenue  
24 Fund, the Constitutional Reserve Fund or the Education Reform

1 Revolving Fund of the State Department of Education. Such programs  
2 must be adjusted or discontinued according to available lottery  
3 proceeds unless the Legislature by general law establishes  
4 eligibility requirements and appropriates specific funds therefor.  
5 No surplus in the Oklahoma Education Lottery Trust Fund shall be  
6 reduced or transferred to correct any nonlottery deficiencies in  
7 sums available for general appropriations. The provisions of this  
8 subsection shall not apply to bonds or other obligations issued  
9 pursuant to or to the repayment of bonds or other obligations issued  
10 pursuant to the Oklahoma Higher Education Promise of Excellence Act  
11 of 2005.

12 G. There is hereby created in the State Treasury a revolving  
13 fund to be designated the "Oklahoma Education Lottery Revolving  
14 Fund". The fund shall be a continuing fund, not subject to fiscal  
15 year limitations, and shall consist of all monies received by the  
16 Commission. The Commission shall make payments of net proceeds from  
17 the fund to the Oklahoma Education Lottery Trust Fund on or before  
18 the fifteenth day of each calendar quarter as provided in subsection  
19 B of this section. All monies accruing to the credit of the  
20 Oklahoma Education Lottery Revolving Fund are hereby appropriated  
21 and may be budgeted and expended for the payment of net proceeds,  
22 prizes, commissions to retailers, administrative expenses and all  
23 other expenses arising out of the operation of the education  
24 lottery, subject to the limitations provided in this act.

1 Expenditures from the fund shall be made upon warrants issued by the  
2 State Treasurer against claims filed as prescribed by law with the  
3 Director of State Finance for approval and payment.

4 The monies in the fund shall be invested by the State Treasurer  
5 in accordance with state investment practices. All earnings  
6 attributable to such investments shall likewise accrue to the credit  
7 of the fund.

8 SECTION 2. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 3-163 of Title 70, unless there  
10 is created a duplication in numbering, reads as follows:

11 A. There is hereby created in the State Treasury a revolving  
12 fund for the State Board of Education to be designated the "Common  
13 Education Lottery Revolving Fund". The fund shall be a continuing  
14 fund, not subject to fiscal year limitations, and shall consist of  
15 all monies received by the State Board of Education from  
16 appropriations made from the Oklahoma Education Lottery Trust Fund  
17 pursuant to paragraph 1 of subsection C of Section 713 of Title 3A  
18 of the Oklahoma Statutes and any other funds obtained or received by  
19 the Board. All monies accruing to the credit of the fund are hereby  
20 appropriated and may be budgeted and expended by the State Board of  
21 Education as authorized in subsection B of this section.

22 Expenditures from the fund shall be made upon warrants issued by the  
23 State Treasurer against claims filed as prescribed by law with the  
24 Director of State Finance for approval and payment. The monies in

1 the fund shall be invested by the State Treasurer in accordance with  
2 state investment practices. All earnings attributable to such  
3 investments shall likewise accrue to the credit of the fund.

4 B. On August 1, 2009, and February 1, 2010, and each August 1  
5 and February 1 thereafter, all monies accruing to the credit of the  
6 Common Education Lottery Revolving Fund shall be distributed by the  
7 State Board of Education to all common school districts on a per  
8 capita basis, based on total statewide enrollment for the preceding  
9 school year.

10 SECTION 3. This act shall become effective July 1, 2008.

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

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