

FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1441
Page _____ Section _____ Lines _____
Of the printed Bill
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Gary Banz

Reading Clerk

1 STATE OF OKLAHOMA

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

3 FLOOR SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1441

By: Banz of the House

and

Aldridge of the Senate

6
7
8
9 FLOOR SUBSTITUTE

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

11 2003 (3A O.S. Supp. 2007, Section 713), as last

12 amended by Section 3 of Enrolled Senate Bill No.

13 1830 of the 2nd Session of the 51st Oklahoma

14 Legislature - Oklahoma Education Lottery Trust Fund

15 - Common Education Lottery Revolving Fund -

16 codification - effective date -

17 emergency)

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19
20
21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

23 2003 (3A O.S. Supp. 2007, Section 713), as last amended by Section 3

1 of Enrolled Senate Bill No. 1830 of the 2nd Session of the 51st
2 Oklahoma Legislature, is amended to read as follows:

3 Section 713. A. All gross proceeds shall be the property of
4 the Oklahoma Lottery Commission. From its gross proceeds, the
5 Commission shall pay the operating expenses of the Commission. At
6 least forty-five percent (45%) of gross proceeds shall be made
7 available as prize money. However, the provisions of this
8 subsection shall be deemed not to create any lien, entitlement,
9 cause of action, or other private right, and any rights of holders
10 of tickets or shares shall be determined by the Commission in
11 setting the terms of its lottery or lotteries. For each fiscal
12 year, net proceeds shall equal at least thirty-five percent (35%) of
13 the gross proceeds. However, for the purpose of repaying
14 indebtedness issued pursuant to Section 732 of this title, for the
15 first two (2) full fiscal years and any partial first fiscal year of
16 the Commission, net proceeds need only equal at least thirty percent
17 (30%) of the gross proceeds. All of the net proceeds shall be
18 transferred to the Oklahoma Education Lottery Trust Fund as provided
19 in subsection B of this section.

20 B. There is hereby created in the State Treasury a fund to be
21 designated the "Oklahoma Education Lottery Trust Fund". On or
22 before August 15, 2008, and on or before the fifteenth day of each
23 calendar ~~quarter~~ month thereafter, the Commission shall transfer to
24 the State Treasurer, for credit to the Oklahoma Education Lottery

1 Trust Fund, the amount of all net proceeds accruing during the
2 preceding calendar ~~quarter~~ month. Expenditures from the fund shall
3 be made upon warrants issued by the State Treasurer against claims
4 filed as prescribed by law with the Director of State Finance for
5 approval and payment.

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

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

- 16 1. Forty-five percent (45%) ~~for~~ to the following:
- 17 a. ~~kindergarten through twelfth grade public education,~~
18 ~~including but not limited to compensation and benefits~~
19 ~~for public school teachers and support employees, and~~
 - 20 b. ~~early childhood development programs, which shall~~
21 ~~include but not be limited to costs associated with~~
22 ~~prekindergarten and full day kindergarten programs~~
23 Common Education Lottery Revolving Fund, as created in
24 Section 2 of this act;

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

2 a. tuition grants, loans and scholarships to citizens of
3 this state to enable such citizens to attend colleges
4 and universities located within this state, regardless
5 of whether such colleges and universities are owned or
6 operated by the Oklahoma State Regents for Higher
7 Education, or to attend institutions operated under
8 the authority of the Oklahoma Department of Career and
9 Technology Education; provided such tuition grants,
10 loans and scholarships shall not be made to a citizen
11 of this state to attend a college or university which
12 is not accredited by the Oklahoma State Regents for
13 Higher Education,

14 b. construction of educational facilities for elementary
15 school districts, independent school districts, The
16 Oklahoma State System of Higher Education, and career
17 and technology education,

18 c. capital outlay projects for elementary school
19 districts, independent school districts, the Oklahoma
20 State System of Higher Education, and career and
21 technology education,

22 d. technology for public elementary school district,
23 independent school district, state higher education,
24 and career and technology education facilities, which

1 shall include but not be limited to costs of providing
2 to teachers at accredited public institutions who
3 teach levels kindergarten through twelfth grade,
4 personnel at technology centers under the authority of
5 the Oklahoma ~~State~~ Department of Career and Technology
6 Education, and professors and instructors within The
7 Oklahoma State System of Higher Education, the
8 necessary training in the use and application of
9 computers and advanced electronic instructional
10 technology to implement interactive learning
11 environments in the classroom and to access the state-
12 wide distance learning network and costs associated
13 with repairing and maintaining advanced electronic
14 instructional technology,

15 e. endowed chairs for professors at institutions of
16 higher education operated by The Oklahoma State System
17 of Higher Education, and

18 f. programs and personnel of the Oklahoma School for the
19 Deaf and the Oklahoma School for the Blind;

20 3. Five percent (5%) to the School Consolidation and Assistance
21 Fund. When the total amount in the School Consolidation and
22 Assistance Fund from all sources equals Five Million Dollars
23 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
24 which would otherwise be deposited in the School Consolidation and

1 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
2 shall be allocated by the State Department of Education to public
3 schools based on the audited end-of-year average daily membership in
4 grades 8 through 12 during the preceding school year for the purpose
5 of purchasing technology equipment in order to conduct on-line
6 testing as required by the Achieving Classroom Excellence Act of
7 2005. If at any time the total amount in the School Consolidation
8 and Assistance Fund drops below Five Million Dollars
9 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
10 shall be deposited in the School Consolidation and Assistance Fund
11 until the Fund again reaches Five Million Dollars (\$5,000,000; and

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

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

21 E. In order to ensure that the funds from the trust fund are
22 used to enhance and not supplant funding for education, the State
23 Board of Equalization shall examine and investigate appropriations
24 from the trust fund each year. At the meeting of the State Board of

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

11 F. Except as otherwise provided by this subsection, no
12 deficiency in the Oklahoma Education Lottery Trust Fund shall be
13 replenished by reducing any nonlottery funds, including specifically
14 but without limitation, the General Revenue Fund, the Constitutional
15 Reserve Fund or the Education Reform Revolving Fund of the State
16 Department of Education. No program or project started specifically
17 from lottery proceeds shall be continued from the General Revenue
18 Fund, the Constitutional Reserve Fund or the Education Reform
19 Revolving Fund of the State Department of Education. Such programs
20 must be adjusted or discontinued according to available lottery
21 proceeds unless the Legislature by general law establishes
22 eligibility requirements and appropriates specific funds therefor.
23 No surplus in the Oklahoma Education Lottery Trust Fund shall be
24 reduced or transferred to correct any nonlottery deficiencies in

1 sums available for general appropriations. The provisions of this
2 subsection shall not apply to bonds or other obligations issued
3 pursuant to or to the repayment of bonds or other obligations issued
4 pursuant to the Oklahoma Higher Education Promise of Excellence Act
5 of 2005.

6 G. There is hereby created in the State Treasury a revolving
7 fund to be designated the "Oklahoma Education Lottery Revolving
8 Fund". The fund shall be a continuing fund, not subject to fiscal
9 year limitations, and shall consist of all monies received by the
10 Commission. The Commission shall make payments of net proceeds from
11 the fund to the Oklahoma Education Lottery Trust Fund on or before
12 the fifteenth day of each calendar ~~quarter~~ month as provided in
13 subsection B of this section. All monies accruing to the credit of
14 the Oklahoma Education Lottery Revolving Fund are hereby
15 appropriated and may be budgeted and expended for the payment of net
16 proceeds, prizes, commissions to retailers, administrative expenses
17 and all other expenses arising out of the operation of the education
18 lottery, subject to the limitations provided in the Oklahoma
19 Education Lottery Act. Expenditures from the fund shall be made
20 upon warrants issued by the State Treasurer against claims filed as
21 prescribed by law with the Director of State Finance for approval
22 and payment.

23 The monies in the fund shall be invested by the State Treasurer
24 in accordance with state investment practices. All earnings

1 attributable to such investments shall likewise accrue to the credit
2 of the fund.

3 H. On September 1, 2008, and on the first day of each calendar
4 month thereafter, the Director of the Office of State Finance shall
5 allocate the funds transferred pursuant to subsection B of this
6 section to each entity or fund for which monies in the Oklahoma
7 Education Lottery Trust Fund were appropriated for that fiscal year
8 as provided for in subsection C of this section. The amount
9 allocated each month shall equal the amount transferred pursuant to
10 subsection B of this section, not to exceed one-twelfth (1/12) of
11 the amount of appropriations made from the Oklahoma Education
12 Lottery Trust Fund. The total amount allocated during a fiscal year
13 shall not exceed the total appropriations made from the Oklahoma
14 Education Lottery Trust Fund for that fiscal year.

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

18 A. There is hereby created in the State Treasury a revolving
19 fund for the State Board of Education to be designated the "Common
20 Education Lottery Revolving Fund". The fund shall be a continuing
21 fund, not subject to fiscal year limitations, and shall consist of
22 all monies received by the State Board of Education from
23 appropriations made from the Oklahoma Education Lottery Trust Fund
24 pursuant to paragraph 1 of subsection C of Section 713 of Title 3A

1 of the Oklahoma Statutes and any other funds obtained or received by
2 the Board. All monies accruing to the credit of the fund are hereby
3 appropriated and may be budgeted and expended by the State Board of
4 Education as authorized in subsection B of this section.
5 Expenditures from the fund shall be made upon warrants issued by the
6 State Treasurer against claims filed as prescribed by law with the
7 Director of State Finance for approval and payment. The monies in
8 the fund shall be invested by the State Treasurer in accordance with
9 state investment practices. All earnings attributable to such
10 investments shall likewise accrue to the credit of the fund.

11 B. On or before September 15, 2008, and on or before the
12 fifteenth day of each calendar month thereafter, all monies accruing
13 to the credit of the Common Education Lottery Revolving Fund shall
14 be distributed by the State Board of Education to all common school
15 districts based on the audited end-of-year Average Daily Membership
16 (ADM) for the preceding school year.

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

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

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23 51-2-10603 KB 03/07/08

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