

SB 1795

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

THE STATE SENATE
Monday, February 25, 2008

Senate Bill No. 1795
As Amended

SENATE BILL NO. 1795 - By: JOHNSON (Mike) of the Senate and JONES of the House.

[amusements and sports - Oklahoma Education Lottery Trust
Fund - effective date -
emergency]

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

SECTION 1. AMENDATORY Section 14, Chapter 58, O.S.L. 2003, as last amended by Section 1, Chapter 336, O.S.L. 2007 (3A O.S. Supp. 2007, Section 713), is amended to read as follows:
Section 713. A. All gross proceeds shall be the property of the Oklahoma Lottery Commission. From its gross proceeds, the Commission shall pay the operating expenses of the Commission. At least forty-five percent (45%) of gross proceeds shall be made available as prize money. However, the provisions of this subsection shall be deemed not to create any lien, entitlement, cause of action, or other private right, and any rights of holders of tickets or shares shall be determined by the Commission in setting the terms of its lottery or lotteries. For each fiscal year, net proceeds shall equal at least thirty-five percent (35%) of the gross proceeds. However, for the purpose of repaying indebtedness issued pursuant to Section 732 of this title, for the

1 first two (2) full fiscal years and any partial first fiscal year of
2 the Commission, net proceeds need only equal at least thirty percent
3 (30%) of the gross proceeds. All of the net proceeds shall be
4 transferred to the Oklahoma Education Lottery Trust Fund as provided
5 in subsection B of this section.

6 B. There is hereby created in the State Treasury a fund to be
7 designated the "Oklahoma Education Lottery Trust Fund". ~~On~~ Except
8 as otherwise provided in subsection H of this section, on or before
9 the fifteenth day of each calendar quarter, the Commission shall
10 transfer to the State Treasurer, for credit to the Oklahoma
11 Education Lottery Trust Fund, the amount of all net proceeds
12 accruing during the preceding calendar quarter. Expenditures from
13 the fund shall be made upon warrants issued by the State Treasurer
14 against claims filed as prescribed by law with the Director of State
15 Finance for approval and payment.

16 Upon their deposit into the State Treasury, any monies
17 representing a deposit of net proceeds shall then become the
18 unencumbered property of this state, and neither the Commission nor
19 the board of trustees shall have the power to agree or undertake
20 otherwise. The monies shall be invested by the State Treasurer in
21 accordance with state investment practices. All earnings
22 attributable to such investments shall likewise be the unencumbered
23 property of the state and shall accrue to the credit of the fund.

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

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

4 a. kindergarten through twelfth grade public education,
5 including but not limited to compensation and benefits
6 for public school teachers and support employees, and

7 b. early childhood development programs, which shall
8 include but not be limited to costs associated with
9 prekindergarten and full-day kindergarten programs;

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

11 a. tuition grants, loans and scholarships to citizens of
12 this state to enable such citizens to attend colleges
13 and universities located within this state, regardless
14 of whether such colleges and universities are owned or
15 operated by the Oklahoma State Regents for Higher
16 Education, or to attend institutions operated under
17 the authority of the Oklahoma Department of Career and
18 Technology Education, including but not limited to
19 such programs as the Oklahoma Higher Learning Access
20 Program; provided such tuition grants, loans and
21 scholarships shall not be made to a citizen of this
22 state to attend a college or university which is not

1 accredited by the Oklahoma State Regents for Higher
2 Education,
3 b. construction of educational facilities for elementary
4 school districts, independent school districts, the
5 Oklahoma State System of Higher Education, and career
6 and technology education,
7 c. capital outlay projects for elementary school
8 districts, independent school districts, the Oklahoma
9 State System of Higher Education, and career and
10 technology education,
11 d. technology for public elementary school district,
12 independent school district, state higher education,
13 and career and technology education facilities, which
14 shall include but not be limited to costs of providing
15 to teachers at accredited public institutions who
16 teach levels kindergarten through twelfth grade,
17 personnel at technology centers under the authority of
18 the Oklahoma State Department of Career and Technology
19 Education, and professors and instructors within the
20 Oklahoma State System of Higher Education, the
21 necessary training in the use and application of
22 computers and advanced electronic instructional
23 technology to implement interactive learning

1 environments in the classroom and to access the state-
2 wide distance learning network and costs associated
3 with repairing and maintaining advanced electronic
4 instructional technology,
5 e. endowed chairs for professors at institutions of
6 higher education operated by the Oklahoma State System
7 of Higher Education, and
8 f. programs and personnel of the Oklahoma School for the
9 Deaf and the Oklahoma School for the Blind;

10 3. Five percent (5%) to the School Consolidation and Assistance
11 Fund. When the total amount in the School Consolidation and
12 Assistance Fund from all sources equals Five Million Dollars
13 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
14 which would otherwise be deposited in the School Consolidation and
15 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
16 shall be allocated by the State Department of Education to public
17 schools based on the audited end-of-year average daily membership in
18 grades 8 through 12 during the preceding school year for the purpose
19 of purchasing technology equipment in order to conduct on-line
20 testing as required by the Achieving Classroom Excellence Act of
21 2005. If at any time the total amount in the School Consolidation
22 and Assistance Fund drops below Five Million Dollars
23 (\$5,000,000.00), the monies appropriated pursuant to this paragraph

1 shall be deposited in the School Consolidation and Assistance Fund
2 until the Fund again reaches Five Million Dollars (\$5,000,000; and
3 4. Five percent (5%) to the Teachers' Retirement System
4 Dedicated Revenue Revolving Fund.

5 D. The Legislature shall appropriate funds from the Oklahoma
6 Education Lottery Trust Fund only for the purposes specified in
7 subsection C of this section. Even when funds from the trust fund
8 are used for these purposes, the Legislature shall not use funds
9 from the trust fund to supplant or replace other state funds
10 supporting common education, higher education, or career and
11 technology education.

12 E. In order to ensure that the funds from the trust fund are
13 used to enhance and not supplant funding for education, the State
14 Board of Equalization shall examine and investigate appropriations
15 from the trust fund each year. At the meeting of the State Board of
16 Equalization held within five (5) days after the monthly
17 apportionment in February of each year, the State Board of
18 Equalization shall issue a finding and report which shall state
19 whether appropriations from the trust fund were used to enhance or
20 supplant education funding. If the State Board of Equalization
21 finds that education funding was supplanted by funds from the trust
22 fund, the Board shall specify the amount by which education funding
23 was supplanted. In this event, the Legislature shall not make any

1 appropriations for the ensuing fiscal year until an appropriation in
2 that amount is made to replenish the trust fund.

3 F. Except as otherwise provided by this subsection, no
4 deficiency in the Oklahoma Education Lottery Trust Fund shall be
5 replenished by reducing any nonlottery funds, including specifically
6 but without limitation, the General Revenue Fund, the Constitutional
7 Reserve Fund or the Education Reform Revolving Fund of the State
8 Department of Education. No program or project started specifically
9 from lottery proceeds shall be continued from the General Revenue
10 Fund, the Constitutional Reserve Fund or the Education Reform
11 Revolving Fund of the State Department of Education. Such programs
12 must be adjusted or discontinued according to available lottery
13 proceeds unless the Legislature by general law establishes
14 eligibility requirements and appropriates specific funds therefor.
15 No surplus in the Oklahoma Education Lottery Trust Fund shall be
16 reduced or transferred to correct any nonlottery deficiencies in
17 sums available for general appropriations. The provisions of this
18 subsection shall not apply to bonds or other obligations issued
19 pursuant to or to the repayment of bonds or other obligations issued
20 pursuant to the Oklahoma Higher Education Promise of Excellence Act
21 of 2005.

22 G. There is hereby created in the State Treasury a revolving
23 fund to be designated the "Oklahoma Education Lottery Revolving

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

16 The monies in the fund shall be invested by the State Treasurer
17 in accordance with state investment practices. All earnings
18 attributable to such investments shall likewise accrue to the credit
19 of the fund.

20 H. When appropriations from the Oklahoma Education Lottery
21 Trust Fund are made to the Oklahoma State System of Higher
22 Education, the appropriations shall be made available to the System
23 on a monthly basis. In addition to the provisions of subsection B

1 of this section, the following process shall be used to insure that
2 the appropriations are made available to the Oklahoma State System
3 of Higher Education in a timely manner:

4 1. If the Director of the Office of State Finance does not
5 create a cash-flow system for the Oklahoma Education Lottery Trust
6 Fund, the Commission, on or before the twenty-fifth day of June of
7 the fiscal year preceding the fiscal year for which the
8 appropriations to the Oklahoma State System of Higher Education have
9 been made, shall transfer to the State Treasurer, for credit to the
10 Oklahoma Education Lottery Trust Fund, an amount of all net proceeds
11 accruing during the preceding months for which net proceeds have not
12 been previously transferred not to exceed Three Million Dollars
13 (\$3,000,000.00);

14 2. Beginning in July of the fiscal year in which appropriations
15 are made to the Oklahoma State System of Higher Education from the
16 Oklahoma Education Lottery Trust Fund, the Commission, on or before
17 the twenty-fifth day of each month, shall transfer to the State
18 Treasurer, for credit to the Oklahoma Education Lottery Trust Fund,
19 an amount of net proceeds accruing during the preceding month equal
20 to one-twelfth of the amount of appropriations made for the Oklahoma
21 State System for Higher Education from the Oklahoma Education
22 Lottery Trust Fund;

1 3. The Director of the Office of State Finance shall allocate
2 the transfers provided for in paragraph 2 of this subsection to the
3 Oklahoma State Regents for Higher Education on a monthly basis; and

4 4. The total amount of transfers to the Oklahoma Lottery Trust
5 Fund of net lottery proceeds made pursuant to this subsection shall
6 not exceed the total appropriations made to the Oklahoma State
7 System for Higher Education from the Oklahoma Education Lottery
8 Trust Fund for the specific fiscal year.

9 SECTION 2. This act shall become effective July 1, 2008.

10 SECTION 3. It being immediately necessary for the preservation
11 of the public peace, health and safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-20-08 - DO
15 PASS, As Amended and Coauthored.