

SB 1946

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THE STATE SENATE
Monday, February 25, 2008

Senate Bill No. 1946
As Amended

SENATE BILL NO. 1946 - By: COFFEE of the Senate and MILLER of the House.

[amusements and sports - Oklahoma Education Lottery Act - Education Lottery Shortfall Fund - effective date]

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 or
8 before the fifteenth day of each calendar quarter, the Commission
9 shall transfer to the State Treasurer, for credit to the Oklahoma
10 Education Lottery Trust Fund, the amount of all net proceeds
11 accruing during the preceding calendar quarter. Expenditures from
12 the fund shall be made upon warrants issued by the State Treasurer
13 against claims filed as prescribed by law with the Director of State
14 Finance for approval and payment.

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

1 C. 1. Effective July 1, 2009, and for each fiscal year
2 thereafter, ninety percent (90%) of the amount of revenue from the
3 Oklahoma Education Lottery Trust Fund that is available for
4 appropriation as certified by the State Board of Equalization
5 pursuant to the provisions of Section 23 of Article X of the
6 Oklahoma Constitution shall be appropriated in the manner specified
7 in subsection D of this section. The remaining ten percent (10%) of
8 the amount available for appropriation shall be deposited in the
9 Oklahoma Education Lottery Shortfall Fund.

10 2. There is hereby created in the State Treasury a fund to be
11 designated the "Oklahoma Education Lottery Shortfall Fund". The
12 fund shall consist of ten percent (10%) of the **revenue from the**
13 **Oklahoma Education Lottery Trust Fund that is** available for
14 appropriation as certified by the State Board of Equalization
15 pursuant to the provisions of Section 23 of Article X of the
16 Oklahoma Constitution. The monies in this fund shall be
17 appropriated by the Legislature in the manner specified in
18 subsection D of this section in years that the amount of monies
19 deposited in the Oklahoma Education Lottery Trust Fund does not meet
20 or exceed the amount that was certified by the State Board of
21 Equalization to be available for appropriation.

22 D. Monies in the Oklahoma Education Lottery Trust Fund shall
23 only be appropriated as follows:

- 1 1. Forty-five percent (45%) for the following:
- 2 a. kindergarten through twelfth grade public education,
3 including but not limited to compensation and benefits
4 for public school teachers and support employees, and
- 5 b. early childhood development programs, which shall
6 include but not be limited to costs associated with
7 prekindergarten and full-day kindergarten programs;
- 8 2. Forty-five percent (45%) for the following:
- 9 a. tuition grants, loans and scholarships to citizens of
10 this state to enable such citizens to attend colleges
11 and universities located within this state, regardless
12 of whether such colleges and universities are owned or
13 operated by the Oklahoma State Regents for Higher
14 Education, or to attend institutions operated under
15 the authority of the Oklahoma Department of Career and
16 Technology Education, including but not limited to
17 such programs as the Oklahoma Higher Learning Access
18 Program; provided such tuition grants, loans and
19 scholarships shall not be made to a citizen of this
20 state to attend a college or university which is not
21 accredited by the Oklahoma State Regents for Higher
22 Education,

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

1 with repairing and maintaining advanced electronic
2 instructional technology,
3 e. endowed chairs for professors at institutions of
4 higher education operated by the Oklahoma State System
5 of Higher Education, and
6 f. programs and personnel of the Oklahoma School for the
7 Deaf and the Oklahoma School for the Blind;

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

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

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

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

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

20 ~~G.~~ H. There is hereby created in the State Treasury a revolving
21 fund to be designated the "Oklahoma Education Lottery Revolving
22 Fund". The fund shall be a continuing fund, not subject to fiscal
23 year limitations, and shall consist of all monies received by the

1 Commission. The Commission shall make payments of net proceeds from
2 the fund to the Oklahoma Education Lottery Trust Fund on or before
3 the fifteenth day of each calendar quarter as provided in subsection
4 B of this section. All monies accruing to the credit of the
5 Oklahoma Education Lottery Revolving Fund are hereby appropriated
6 and may be budgeted and expended for the payment of net proceeds,
7 prizes, commissions to retailers, administrative expenses and all
8 other expenses arising out of the operation of the education
9 lottery, subject to the limitations provided in the Oklahoma
10 Education Lottery Act. Expenditures from the fund shall be made
11 upon warrants issued by the State Treasurer against claims filed as
12 prescribed by law with the Director of State Finance for approval
13 and payment.

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

18 SECTION 2. This act shall become effective November 1, 2008.

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