

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 2088

By: Coffee of the Senate

and

(Benge) of the House

6  
7  
8  
9 COMMITTEE SUBSTITUTE

10 An Act relating to amusements and sports; amending  
11 Section 4, Chapter 58, O.S.L. 2003 (3A O.S. Supp.  
12 2009, Section 703), which relate to the Oklahoma  
13 Education Lottery Act; modifying the name of the  
14 Oklahoma Lottery Commission; providing an effective  
15 date; and declaring an emergency.

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

17 SECTION 1. AMENDATORY Section 4, Chapter 58, O.S.L. 2003  
18 (3A O.S. Supp. 2009, Section 703), is amended to read as follows:

19 Section 703. As used in the Oklahoma Education Lottery Act:

20 1. "Administrative expenses" means operating expenses,  
21 excluding amounts set aside for prizes, regardless of whether such  
22 prizes are claimed and excluding amounts deposited to the Fidelity  
23 Revolving Fund pursuant to Section ~~20~~ 719 of this ~~act~~ title;

24 2. "Board" means the board of trustees of the Oklahoma  
Education Lottery Commission;

1       3. "Capital outlay projects" means the acquisition,  
2 construction, installation, modification, renovation, repair,  
3 extension, renewal, replacement, or rehabilitation of land,  
4 interests in land, buildings, structures, facilities, or other  
5 improvements and the acquisition, installation, modification,  
6 renovation, repair, extension, renewal, replacement, rehabilitation,  
7 or furnishing of fixtures, machinery, equipment, computers,  
8 software, laboratories, furniture, textbooks, and reference material  
9 or other property of any nature whatsoever used on, in, or in  
10 connection with educational facilities;

11       4. "Commission" means the Oklahoma Education Lottery  
12 Commission. Any references in the statutes to the Oklahoma Lottery  
13 Commission shall be deemed references to the Oklahoma Education  
14 Lottery Commission;

15       5. "Educational facilities" means land, structures, and  
16 buildings owned or operated by and through the Oklahoma State  
17 Regents for Higher Education, the State Board of Education, the  
18 Oklahoma Department of Career and Technology Education, or by any  
19 school district within this state. A public road or highway leading  
20 to an educational facility shall not be considered an educational  
21 facility;

22       6. "Executive director" means the chief executive officer and  
23 administrator of the Oklahoma Education Lottery Commission;

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1       7. "Gross proceeds" means all revenue derived from the sale of  
2 lottery tickets or shares and all other monies derived from the  
3 lottery;

4       8. "Instant ticket" means a lottery ticket that requires the  
5 player to remove a coating to determine if a prize has been won;

6       9. "Lottery", "lotteries", "lottery game", or "lottery games"  
7 means an activity conducted by the Commission under the Oklahoma  
8 Education Lottery Act through which prizes are awarded or  
9 distributed by chance among persons who have paid for a chance or  
10 other opportunity to receive a prize, including, but not limited to,  
11 instant tickets and on-line games, but excluding charity bingo and  
12 games conducted pursuant to the Oklahoma Charity Games Act, poker,  
13 blackjack, slot machines, pulltab machines, card games, dice,  
14 dominos, roulette wheels, or other similar forms of gambling, or  
15 electronic or video forms of these gambling activities, or games  
16 where winners are determined by the outcome of a sports contest, or  
17 pari-mutuel betting conducted pursuant to the Oklahoma Horse Racing  
18 Act;

19       10. "Major procurement contract" means any gaming product or  
20 service costing in excess of Twenty-five Thousand Dollars  
21 (\$25,000.00), including, but not limited to, major advertising  
22 contracts, annuity contracts, prize payment agreements, consulting  
23 services, equipment, tickets, and other products and services unique  
24 to the Oklahoma lottery, but not including materials, supplies,

1 equipment, and services common to the ordinary operations of the  
2 Commission;

3 11. "Member" or "members" means a trustee or trustees of the  
4 board of trustees of the Oklahoma Education Lottery Commission;

5 12. "Member of a minority" means an individual who is a member  
6 of a race which comprises less than fifty percent (50%) of the total  
7 population of Oklahoma;

8 13. "Minority business" means any business which is owned by:

9 a. an individual who is a member of a minority who  
10 reports as the personal income of the individual for  
11 Oklahoma income tax purposes the income of the  
12 business,

13 b. a partnership in which a majority of the ownership  
14 interest is owned by one or more members of a minority  
15 who report as their personal income for Oklahoma  
16 income tax purposes more than fifty percent (50%) of  
17 the income of the partnership, or

18 c. a corporation organized under the laws of this state  
19 in which a majority of the common stock is owned by  
20 one or more members of a minority who report as their  
21 personal income for Oklahoma income tax purposes more  
22 than fifty percent (50%) of the distributed earnings  
23 of the corporation;

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1       14. "Net proceeds" means all revenue derived from the sale of  
2 lottery tickets or shares and all other monies derived from the  
3 lottery less operating expenses;

4       15. "On-line games" means a game where tickets or shares are  
5 purchased through a network of computer terminals located at retail  
6 outlets, and such terminals are linked to a central computer that  
7 records the purchases;

8       16. "Operating expenses" means all costs of doing business,  
9 including but not limited to, prizes, commissions, and other  
10 compensation paid to retailers, advertising and marketing costs,  
11 personnel costs, capital costs, amounts held in or paid from the  
12 Fidelity Revolving Fund pursuant to Section ~~20~~ 719 of this ~~act~~  
13 title, debt service payments for the payment of the initial expenses  
14 of start-up, administration, and operation of the Commission and the  
15 lottery, and other operating costs;

16       17. "Pari-mutuel betting" means the pari-mutuel system of  
17 wagering as defined in Section 200.1 of ~~Title 3A of the Oklahoma~~  
18 ~~Statutes~~ this title. Such term shall not include a lottery game  
19 which may be predicated on a horse-racing scheme that does not  
20 involve actual track events or traditional lottery games which may  
21 involve the distribution of winnings by pools;

22       18. "Person" means any individual, corporation, partnership,  
23 unincorporated association, limited liability company, or other  
24 legal entity;

1 19. "Retailer" means a person who sells lottery tickets or  
2 shares on behalf of the Commission pursuant to a contract;

3 20. "Share" means any intangible evidence of participation in a  
4 lottery game;

5 21. "Ticket" means any tangible evidence issued by the lottery  
6 to provide participation in a lottery game; and

7 22. "Vendor" means a person who provides or proposes to provide  
8 goods or services to the Commission pursuant to a major procurement  
9 contract, but does not include an employee of the Commission, a  
10 retailer, or a state agency or instrumentality thereof. Such term  
11 does not include any corporation whose shares are publicly traded  
12 and which is the parent company of the contracting party in a major  
13 procurement contract.

14 SECTION 2. This act shall become effective July 1, 2010.

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

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