

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2597

By: Holland

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5
6 AS INTRODUCED

7 An Act relating to amusements and sports; amending 3A
8 O.S. 2011, Section 713, which relates to the lottery;
9 eliminating funding for higher education; eliminating
10 funding for career and technology education; and
11 providing an effective date.

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

13 SECTION 1. AMENDATORY 3A O.S. 2011, Section 713, is
14 amended to read as follows:

15 Section 713. A. All gross proceeds shall be the property of
16 the Oklahoma Lottery Commission. From its gross proceeds, the
17 Commission shall pay the operating expenses of the Commission. At
18 least forty-five percent (45%) of gross proceeds shall be made
19 available as prize money. However, the provisions of this
20 subsection shall be deemed not to create any lien, entitlement,
21 cause of action, or other private right, and any rights of holders
22 of tickets or shares shall be determined by the Commission in
23 setting the terms of its lottery or lotteries. For each fiscal
24 year, net proceeds shall equal at least thirty-five percent (35%) of

1 the gross proceeds. However, for the purpose of repaying
2 indebtedness issued pursuant to Section 732 of this title, for the
3 first two (2) full fiscal years and any partial first fiscal year of
4 the Commission, net proceeds need only equal at least thirty percent
5 (30%) of the gross proceeds. All of the net proceeds shall be
6 transferred to the Oklahoma Education Lottery Trust Fund as provided
7 in subsection B of this section.

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

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

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

5 1. ~~Forty-five percent (45%)~~ Ninety percent (90%) for the
6 following:

7 a. kindergarten through twelfth grade public education,
8 including but not limited to compensation and benefits
9 for public school teachers and support employees, and

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

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

14 a. ~~tuition grants, loans and scholarships to citizens of~~
15 ~~this state to enable such citizens to attend colleges~~
16 ~~and universities located within this state, regardless~~

17 ~~of whether such colleges and universities are owned or~~
18 ~~operated by the Oklahoma State Regents for Higher~~
19 ~~Education, or to attend institutions operated under~~

20 ~~the authority of the Oklahoma Department of Career and~~
21 ~~Technology Education; provided such tuition grants,~~
22 ~~loans and scholarships shall not be made to a citizen~~

23 ~~of this state to attend a college or university which~~
24

1 ~~is not accredited by the Oklahoma State Regents for~~
2 ~~Higher Education,~~

3 ~~b.~~ c. construction of educational facilities for elementary
4 school districts, and independent school districts,
5 ~~the Oklahoma State System of Higher Education, and~~
6 ~~career and technology education,~~

7 ~~e.~~ d. capital outlay projects for elementary school
8 districts, and independent school districts, ~~the~~
9 ~~Oklahoma State System of Higher Education, and career~~
10 ~~and technology education,~~

11 ~~d.~~ e. technology for public elementary school district, and
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
24 environments in the classroom and to access the

1 statewide distance learning network and costs
2 associated with repairing and maintaining advanced
3 electronic instructional technology,

4 ~~e. endowed chairs for professors at institutions of
5 higher education operated by the Oklahoma State System
6 of Higher Education,~~ and

7 f. programs and personnel of the Oklahoma School for the
8 Deaf and the Oklahoma School for the Blind;

9 ~~3.~~ 2. Five percent (5%) to the School Consolidation and
10 Assistance Fund. When the total amount in the School Consolidation
11 and Assistance Fund from all sources equals Five Million Dollars
12 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
13 which would otherwise be deposited in the School Consolidation and
14 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
15 shall be allocated by the State Department of Education to public
16 schools based on the audited end-of-year average daily membership in
17 grades 8 through 12 during the preceding school year for the purpose
18 of purchasing technology equipment in order to conduct on-line
19 testing as required by the Achieving Classroom Excellence Act of
20 2005. If at any time the total amount in the School Consolidation
21 and Assistance Fund drops below Five Million Dollars
22 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
23 shall be deposited in the School Consolidation and Assistance Fund
24

1 until the fund again reaches Five Million Dollars (\$5,000,000.00);
2 and

3 ~~4.~~ 3. 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
24

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
24 Fund". The fund shall be a continuing fund, not subject to fiscal

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

18 H. When appropriations from the Oklahoma Education Lottery
19 Trust Fund are made to common education pursuant to the provisions
20 of ~~paragraph 1~~ of subsection C of this section, the appropriations
21 shall be made available on a monthly basis. In addition to the
22 provisions of subsection B of this section, the following process
23 shall be used to ~~insure~~ ensure that the appropriations are made
24 available to common education in a timely manner:

1 1. Beginning in July of the fiscal year in which appropriations
2 are made to common education from the Oklahoma Education Lottery
3 Trust Fund, the Commission, on or before the ninth day of each
4 month, shall transfer to the State Treasurer, for credit to the
5 Oklahoma Education Lottery Trust Fund, the amount of net proceeds
6 accruing during the preceding month equal to the amount of total
7 monthly collections due to common education as required by ~~paragraph~~
8 ~~1 of~~ subsection C of this section;

9 2. The Director of the Office of State Finance shall allocate
10 the transfers provided for in paragraph 1 of this subsection to the
11 State Department of Education on a monthly basis, not to exceed one-
12 twelfth (1/12) of the annual apportionment for the fiscal year; and

13 3. The total amount of transfers to the Oklahoma Education
14 Lottery Trust Fund of net lottery proceeds made pursuant to this
15 subsection shall not exceed the total appropriations made to common
16 education from the Oklahoma Education Lottery Trust Fund for the
17 specific fiscal year.

18 ~~I. When appropriations from the Oklahoma Education Lottery~~
19 ~~Trust Fund are made to The Oklahoma State System of Higher~~
20 ~~Education, the appropriations shall be made available to the System~~
21 ~~on a monthly basis. In addition to the provisions of subsection B~~
22 ~~of this section, the following process shall be used to insure that~~
23 ~~the appropriations are made available to The Oklahoma State System~~
24 ~~of Higher Education in a timely manner:~~

1 ~~1. Beginning in July of the fiscal year in which appropriations~~
2 ~~are made to The Oklahoma State System of Higher Education from the~~
3 ~~Oklahoma Education Lottery Trust Fund, the Commission, on or before~~
4 ~~the ninth day of each month, shall transfer to the State Treasurer,~~
5 ~~for credit to the Oklahoma Education Lottery Trust Fund, the amount~~
6 ~~of net proceeds accruing during the preceding month equal to the~~
7 ~~amount of total monthly collections due to the Oklahoma State~~
8 ~~Regents for Higher Education as required by paragraph 2 of~~
9 ~~subsection C of this section;~~

10 ~~2. The Director of the Office of State Finance shall allocate~~
11 ~~the transfers provided for in paragraph 1 of this subsection to the~~
12 ~~Oklahoma State Regents for Higher Education on a monthly basis, not~~
13 ~~to exceed one twelfth (1/12) of the annual apportionment for the~~
14 ~~fiscal year; and~~

15 ~~3. The total amount of transfers to the Oklahoma Education~~
16 ~~Lottery Trust Fund of net lottery proceeds made pursuant to this~~
17 ~~subsection shall not exceed the total appropriations made to The~~
18 ~~Oklahoma State System for Higher Education from the Oklahoma~~
19 ~~Education Lottery Trust Fund for the specific fiscal year.~~

20 SECTION 2. This act shall become effective November 1, 2012.

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22 53-2-8795 CJB 12-10-11
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