

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 47

By: Lerblance

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5
6 AS INTRODUCED

7 An Act relating to the Oklahoma Education Lottery
8 Act; amending Section 14, Chapter 58, O.S.L. 2003, as
9 last amended by Section 1, Chapter 389, O.S.L. 2008
10 (3A O.S. Supp. 2010, Section 713), which relates to
11 net lottery proceeds; eliminating net proceeds
12 minimum requirement; providing an effective date; and
13 declaring an emergency.

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

15 SECTION 1. AMENDATORY Section 14, Chapter 58, O.S.L.
16 2003, as last amended by Section 1, Chapter 389, O.S.L. 2008 (3A
17 O.S. Supp. 2010, Section 713), is amended to read as follows:

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

1 setting the terms of its lottery or lotteries. ~~For each fiscal~~
2 ~~year, net proceeds shall equal at least thirty five percent (35%) of~~
3 ~~the gross proceeds. However, for the purpose of repaying~~
4 ~~indebtedness issued pursuant to Section 732 of this title, for the~~
5 ~~first two (2) full fiscal years and any partial first fiscal year of~~
6 ~~the Commission, net proceeds need only equal at least thirty percent~~
7 ~~(30%) of the gross proceeds.~~ All of the net proceeds shall be
8 transferred to the Oklahoma Education Lottery Trust Fund as provided
9 in subsection B of this section.

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

20 Upon their deposit into the State Treasury, any monies
21 representing a deposit of net proceeds shall then become the
22 unencumbered property of this state, and neither the Commission nor
23 the board of trustees shall have the power to agree or undertake
24 otherwise. The monies shall be invested by the State Treasurer in

1 accordance with state investment practices. All earnings
2 attributable to such investments shall likewise be the unencumbered
3 property of the state and shall accrue to the credit of the fund.

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

6 1. Forty-five percent (45%) for the 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
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1 is not accredited by the Oklahoma State Regents for
2 Higher 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
24 environments in the classroom and to access the state-

1 ~~wide~~ 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. Five percent (5%) to the School Consolidation and Assistance
10 Fund. When the total amount in the School Consolidation and
11 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 online testing as required by the Achieving Classroom Excellence Act
20 of 2005. If at any time the total amount in the School
21 Consolidation 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 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. 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. 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.

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

20 G. 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
24 Commission. The Commission shall make payments of net proceeds from

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

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

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

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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 July 1, 2011.

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

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