

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 54th Legislature (2013)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1532

By: Banz of the House

and

Fields of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to amusements and sports; amending 3A
12 O.S. 2011, Section 724, which relates to lottery
13 proceeds; modifying amount of unclaimed prize monies
14 distributed to Department of Mental Health and
15 Substance Abuse Services; providing an effective
16 date; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 3A O.S. 2011, Section 724, is
19 amended to read as follows:

20 Section 724. A. Proceeds of any lottery prize shall be subject
21 to the Oklahoma state income tax.

22 B. Attachments, garnishments, or executions authorized and
23 issued pursuant to law shall be withheld if timely served upon the
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1 Oklahoma Lottery Commission. This subsection shall not apply to
2 payment of prizes by a retailer.

3 C. The Commission shall adopt policies and procedures to
4 establish a system of verifying the validity of tickets or shares
5 claimed to win prizes and to effect payment of the prizes, except
6 that:

7 1. No prize, any portion of a prize, or any right of any person
8 to a prize awarded shall be assignable. Any prize or any portion of
9 a prize remaining unpaid at the death of a prize winner shall be
10 paid to the estate of the deceased prize winner or to the trustee of
11 a trust established by the deceased prize winner as settlor if a
12 copy of the trust document or instrument has been filed with the
13 Commission along with a notarized letter of direction from the
14 settlor and no written notice of revocation has been received by the
15 Commission prior to the death of the settlor. Following the death
16 of a settlor and prior to any payment to a successor trustee, the
17 Commission shall obtain from the trustee a written agreement to
18 indemnify and hold the Commission harmless with respect to any
19 claims that may be asserted against the Commission arising from
20 payment to or through the trust. Notwithstanding any other
21 provisions of this section, any person, pursuant to an appropriate
22 judicial order, shall be paid the prize to which a winner is
23 entitled;

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1 2. No prize shall be paid arising from claimed tickets that
2 are:

- 3 a. stolen, counterfeit, altered, fraudulent, unissued,
4 produced or issued in error, unreadable, not received,
5 or not recorded by the Commission within applicable
6 deadlines,
7 b. lacking in captions that conform and agree with the
8 play symbols as appropriate to the particular lottery
9 game involved, or
10 c. not in compliance with such additional public or
11 confidential validation and security tests of the
12 Commission appropriate to the particular lottery game
13 involved;

14 3. No particular prize in any lottery game shall be paid more
15 than once, and in the event of a determination that more than one
16 claimant is entitled to a particular prize, the sole remedy of the
17 claimants is the award to each of them of an equal share in the
18 prize;

19 4. A holder of a winning cash ticket or share from a lottery
20 game shall claim a cash prize within one hundred eighty (180) days,
21 or for a multistate or multisoovereign lottery game within one
22 hundred eighty (180) days, after the drawing in which the cash prize
23 was won. In any Oklahoma lottery game in which the player may
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1 determine instantly if the player has won or lost, the player shall
2 claim a cash prize within ninety (90) days, or for a multistate
3 lottery game within one hundred eighty (180) days, after the end of
4 the lottery game. If a valid claim is not made for a cash prize
5 within the applicable period, the cash prize shall constitute an
6 unclaimed prize for purposes of the Oklahoma Education Lottery Act;

7 5. Any person or persons claiming a lottery prize exceeding Six
8 Hundred Dollars (\$600.00) shall provide the Commission with their
9 name, address, social security number, and sufficient valid
10 identification as proof of the same prior to payment of the prize by
11 the Commission; and

12 6. Any person or persons claiming a lottery prize exceeding Six
13 Hundred Dollars (\$600.00) as a trust shall provide for each person
14 entitled to any portion of the prize their name, address, social
15 security number, and sufficient valid identification as proof of the
16 same prior to payment of the prize by the Commission except that
17 such information specified in this paragraph shall be confidential
18 and not subject to the provisions of the Oklahoma Open Records Act.

19 D. No prize shall be paid upon a ticket or share purchased or
20 sold in violation of the Oklahoma Education Lottery Act. Any such
21 prize shall constitute an unclaimed prize for purposes of the
22 Oklahoma Education Lottery Act.

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1 E. The Commission is discharged of all liability upon payment
2 of a prize.

3 F. No ticket or share shall be purchased by and no prize shall
4 be paid to any member of the board of trustees of the Oklahoma
5 Lottery Commission, any officer or employee of the Commission, or to
6 any spouse, child, brother, sister, or parent residing as a member
7 of the same household in the principal place of residence of any
8 such person. No ticket or share shall be purchased by and no prize
9 shall be paid to any officer, employee, agent, or subcontractor of
10 any vendor or to any spouse, child, brother, sister, or parent
11 residing as a member of the same household in the principal place of
12 residence of any such person if the officer, employee, agent, or
13 subcontractor has access to confidential information which may
14 compromise the integrity of the lottery.

15 G. Unclaimed prize money shall not constitute net lottery
16 proceeds. The first ~~Five Hundred Thousand Dollars (\$500,000.00)~~
17 Seven Hundred Fifty Thousand Dollars (\$750,000.00) of unclaimed
18 prize money accruing annually shall be transferred to the Department
19 of Mental Health and Substance Abuse Services for the treatment of
20 compulsive gambling disorder and educational programs related to
21 such disorder. All other unclaimed prize money shall be added to
22 the pool from which future prizes are to be awarded or used for
23 special prize promotions.

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1 SECTION 2. This act shall become effective July 1, 2013.

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

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7 COMMITTEE REPORT BY: COMMITTEE ON TOURISM AND INTERNATIONAL
8 RELATIONS, dated 02/07/2013 - DO PASS, As Amended and Coauthored.
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