

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1532

By: Banz

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5
6 AS INTRODUCED

7 An Act relating to amusements and sports; amending 3A
8 O.S. 2011, Section 724, which relates to lottery
9 proceeds; modifying distribution of unclaimed prize
10 monies; providing an effective date; and declaring an
11 emergency.

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

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

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

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

21 C. The Commission shall adopt policies and procedures to
22 establish a system of verifying the validity of tickets or shares
23 claimed to win prizes and to effect payment of the prizes, except
24 that:

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

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

20 a. stolen, counterfeit, altered, fraudulent, unissued,
21 produced or issued in error, unreadable, not received,
22 or not recorded by the Commission within applicable
23 deadlines,
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1 b. lacking in captions that conform and agree with the
2 play symbols as appropriate to the particular lottery
3 game involved, or

4 c. not in compliance with such additional public or
5 confidential validation and security tests of the
6 Commission appropriate to the particular lottery game
7 involved;

8 3. No particular prize in any lottery game shall be paid more
9 than once, and in the event of a determination that more than one
10 claimant is entitled to a particular prize, the sole remedy of the
11 claimants is the award to each of them of an equal share in the
12 prize;

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

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

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

13 D. No prize shall be paid upon a ticket or share purchased or
14 sold in violation of the Oklahoma Education Lottery Act. Any such
15 prize shall constitute an unclaimed prize for purposes of the
16 Oklahoma Education Lottery Act.

17 E. The Commission is discharged of all liability upon payment
18 of a prize.

19 F. No ticket or share shall be purchased by and no prize shall
20 be paid to any member of the board of trustees of the Oklahoma
21 Lottery Commission, any officer or employee of the Commission, or to
22 any spouse, child, brother, sister, or parent residing as a member
23 of the same household in the principal place of residence of any
24 such person. No ticket or share shall be purchased by and no prize

1 shall be paid to any officer, employee, agent, or subcontractor of
2 any vendor or to any spouse, child, brother, sister, or parent
3 residing as a member of the same household in the principal place of
4 residence of any such person if the officer, employee, agent, or
5 subcontractor has access to confidential information which may
6 compromise the integrity of the lottery.

7 G. Unclaimed prize money shall not constitute net lottery
8 proceeds. The Unclaimed prize money shall be distributed as
9 follows:

10 1. The first Five Hundred Thousand Dollars (\$500,000) One
11 Million Five Hundred Thousand Dollars (\$1,500,000.00) of unclaimed
12 prize money accruing annually shall be transferred to the Department
13 of Mental Health and Substance Abuse Services for the treatment of
14 compulsive gambling disorder and educational programs related to
15 such disorder. All;

16 2. The next Two Million Five Hundred Thousand Dollars
17 (\$2,500,000.00) of unclaimed prize money accruing annually shall be
18 transferred to the State Board of Education for distribution to all
19 common school districts, based on average daily membership for the
20 preceding school year; and

21 3. Any other unclaimed prize money shall be added to the pool
22 from which future prizes are to be awarded or used for special prize
23 promotions.

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

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

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