

1 STATE OF OKLAHOMA

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

3 SENATE BILL 430

By: Fields

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5
6 AS INTRODUCED

7 An Act relating to the Oklahoma Education Lottery
8 Trust Fund; amending 3A O.S. 2011, Section 713, as
9 amended by Section 27, Chapter 304, O.S.L. 2012 (3A
10 O.S. Supp. 2012, Section 713), which relates to
11 lottery proceeds; modifying distribution of a portion
12 of the monies in the Oklahoma Education Lottery Trust
13 Fund; modifying allowable expenditures; requiring
14 certain transfer; providing additional source of
15 appropriation; creating the Common Education Lottery
16 Revolving Fund; providing for investment of monies;
17 directing accrual of investments; requiring certain
18 transfer; directing the State Board of Education to
19 distribute a portion of the monies to school
20 districts on a per capita basis; providing method of
21 calculation; providing for codification; providing an
22 effective date; and declaring an emergency.

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

24 SECTION 1. AMENDATORY 3A O.S. 2011, Section 713, as
amended by Section 27, Chapter 304, O.S.L. 2012 (3A O.S. Supp. 2012,
Section 713), is amended to read as follows:

Section 713. A. All gross proceeds shall be the property of
the Oklahoma Lottery Commission. From its gross proceeds, the
Commission shall pay the operating expenses of the Commission. At
least forty-five percent (45%) of gross proceeds shall be made

1 available as prize money. However, the provisions of this
2 subsection shall be deemed not to create any lien, entitlement,
3 cause of action, or other private right, and any rights of holders
4 of tickets or shares shall be determined by the Commission in
5 setting the terms of its lottery or lotteries. For each fiscal
6 year, net proceeds shall equal at least thirty-five percent (35%) of
7 the gross proceeds. However, for the purpose of repaying
8 indebtedness issued pursuant to Section 732 of this title, for the
9 first two (2) full fiscal years and any partial first fiscal year of
10 the Commission, net proceeds need only equal at least thirty percent
11 (30%) of the gross proceeds. All of the net proceeds shall be
12 transferred to the Oklahoma Education Lottery Trust Fund as provided
13 in subsection B of this section.

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

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

9 C. ~~Monies~~ Except as otherwise provided in subsection D of this
10 section, monies in the Oklahoma Education Lottery Trust Fund shall
11 only be appropriated as follows:

- 12 1. Forty-five percent (45%) for the following:
 - 13 a. kindergarten through twelfth grade public education,
14 including but not limited to technology, compensation
15 and benefits for public school teachers and support
16 employees, and
 - 17 b. early childhood development programs, which shall
18 include but not be limited to costs associated with
19 prekindergarten and full-day kindergarten programs;
- 20 2. Forty-five percent (45%) for the following:
 - 21 a. tuition grants, loans and scholarships to citizens of
22 this state to enable such citizens to attend colleges
23 and universities located within this state, regardless
24 of whether such colleges and universities are owned or

1 operated by the Oklahoma State Regents for Higher
2 Education, or to attend institutions operated under
3 the authority of the Oklahoma Department of Career and
4 Technology Education; provided such tuition grants,
5 loans and scholarships shall not be made to a citizen
6 of this state to attend a college or university which
7 is not accredited by the Oklahoma State Regents for
8 Higher Education,

9 b. construction of educational facilities for elementary
10 school districts, independent school districts, the
11 Oklahoma State System of Higher Education, and career
12 and technology education,

13 c. capital outlay projects for elementary school
14 districts, independent school districts, the Oklahoma
15 State System of Higher Education, and career and
16 technology education,

17 d. technology for ~~public elementary school district,~~
18 ~~independent school district,~~ state higher education,
19 and career and technology education facilities, which
20 shall include but not be limited to costs of providing
21 to teachers at accredited public institutions who
22 teach levels kindergarten through twelfth grade,
23 personnel at technology centers under the authority of
24 the Oklahoma State Department of Career and Technology

1 Education, and professors and instructors within the
2 Oklahoma State System of Higher Education, the
3 necessary training in the use and application of
4 computers and advanced electronic instructional
5 technology to implement interactive learning
6 environments in the classroom and to access the state-
7 wide distance learning network and costs associated
8 with repairing and maintaining advanced electronic
9 instructional technology,

10 e. endowed chairs for professors at institutions of
11 higher education operated by the Oklahoma State System
12 of Higher Education, and

13 f. programs and personnel of the Oklahoma School for the
14 Deaf and the Oklahoma School for the Blind;

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

1 testing as required by the Achieving Classroom Excellence Act of
2 2005. If at any time the total amount in the School Consolidation
3 and Assistance Fund drops below Five Million Dollars
4 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
5 shall be deposited in the School Consolidation and Assistance Fund
6 until the Fund again reaches Five Million Dollars (\$5,000,000); and

7 4. Five percent (5%) to the Teachers' Retirement System
8 Dedicated Revenue Revolving Fund.

9 D. Beginning July 1, 2013, and continuing for the succeeding
10 three (3) months, monies deposited into the Oklahoma Education
11 Lottery Trust Fund for the purposes set forth in paragraph 1 of
12 subsection C of this section shall be transferred into the Common
13 Education Lottery Revolving Fund created in Section 2 of this act.

14 E. The Legislature shall appropriate funds from the Oklahoma
15 Education Lottery Trust Fund and the Common Education Lottery
16 Revolving Fund only for the purposes specified in subsection C of
17 this section. Even when funds from the trust fund are used for
18 these purposes, the Legislature shall not use funds from the trust
19 fund to supplant or replace other state funds supporting common
20 education, higher education, or career and technology education.

21 ~~E.~~ F. In order to ensure that the funds from the trust fund are
22 used to enhance and not supplant funding for education, the State
23 Board of Equalization shall examine and investigate appropriations
24 from the trust fund each year. At the meeting of the State Board of

1 Equalization held within five (5) days after the monthly
2 apportionment in February of each year, the State Board of
3 Equalization shall issue a finding and report which shall state
4 whether appropriations from the trust fund were used to enhance or
5 supplant education funding. If the State Board of Equalization
6 finds that education funding was supplanted by funds from the trust
7 fund, the Board shall specify the amount by which education funding
8 was supplanted. In this event, the Legislature shall not make any
9 appropriations for the ensuing fiscal year until an appropriation in
10 that amount is made to replenish the trust fund.

11 ~~F.~~ G. Except as otherwise provided by this subsection, no
12 deficiency in the Oklahoma Education Lottery Trust Fund shall be
13 replenished by reducing any nonlottery funds, including specifically
14 but without limitation, the General Revenue Fund, the Constitutional
15 Reserve Fund or the Education Reform Revolving Fund of the State
16 Department of Education. No program or project started specifically
17 from lottery proceeds shall be continued from the General Revenue
18 Fund, the Constitutional Reserve Fund or the Education Reform
19 Revolving Fund of the State Department of Education. Such programs
20 must be adjusted or discontinued according to available lottery
21 proceeds unless the Legislature by general law establishes
22 eligibility requirements and appropriates specific funds therefor.
23 No surplus in the Oklahoma Education Lottery Trust Fund shall be
24 reduced or transferred to correct any nonlottery deficiencies in

1 sums available for general appropriations. The provisions of this
2 subsection shall not apply to bonds or other obligations issued
3 pursuant to or to the repayment of bonds or other obligations issued
4 pursuant to the Oklahoma Higher Education Promise of Excellence Act
5 of 2005.

6 ~~G.~~ H. There is hereby created in the State Treasury a revolving
7 fund to be designated the "Oklahoma Education Lottery Revolving
8 Fund". The fund shall be a continuing fund, not subject to fiscal
9 year limitations, and shall consist of all monies received by the
10 Commission. The Commission shall make payments of net proceeds from
11 the fund to the Oklahoma Education Lottery Trust Fund on or before
12 the fifteenth day of each calendar quarter as provided in subsection
13 B of this section. All monies accruing to the credit of the
14 Oklahoma Education Lottery Revolving Fund are hereby appropriated
15 and may be budgeted and expended for the payment of net proceeds,
16 prizes, commissions to retailers, administrative expenses and all
17 other expenses arising out of the operation of the education
18 lottery, subject to the limitations provided in the Oklahoma
19 Education Lottery Act. Expenditures from the fund shall be made
20 upon warrants issued by the State Treasurer against claims filed as
21 prescribed by law with the Director of the Office of Management and
22 Enterprise Services for approval and payment.

23 The monies in the fund shall be invested by the State Treasurer
24 in accordance with state investment practices. All earnings

1 attributable to such investments shall likewise accrue to the credit
2 of the fund.

3 ~~H.~~ I. When appropriations from the Oklahoma Education Lottery
4 Trust Fund, or the Common Education Lottery Revolving Fund beginning
5 July 1, 2013, are made to common education pursuant to the
6 provisions of paragraph 1 of subsection C of this section, the
7 appropriations shall be made available on a monthly basis. In
8 addition to the provisions of subsection B of this section, the
9 following process shall be used to insure that the appropriations
10 are made available to common education in a timely manner:

11 1. Beginning in July of the fiscal year in which appropriations
12 are made to common education from the ~~Oklahoma Education Lottery~~
13 ~~Trust Fund~~ Common Education Lottery Revolving Fund, the Commission,
14 on or before the ninth day of each month, shall transfer to the
15 State Treasurer, for credit to the ~~Oklahoma Education Lottery Trust~~
16 ~~Fund~~ Common Education Lottery Revolving Fund, the amount of net
17 proceeds accruing during the preceding month equal to the amount of
18 total monthly collections due to common education as required by
19 paragraph 1 of subsection C of this section;

20 2. The Director of the Office of Management and Enterprise
21 Services shall allocate the transfers provided for in paragraph 1 of
22 this subsection to the State Department of Education on a monthly
23 basis, not to exceed one-twelfth (1/12) of the annual apportionment
24 for the fiscal year; and

1 3. The total amount of transfers to the ~~Oklahoma Education~~
2 ~~Lottery Trust Fund~~ Common Education Lottery Revolving Fund of net
3 lottery proceeds made pursuant to this subsection shall not exceed
4 the total appropriations made to common education from the ~~Oklahoma~~
5 ~~Education Lottery Trust Fund~~ Common Education Lottery Revolving Fund
6 for the specific fiscal year.

7 ~~I.~~ J. When appropriations from the Oklahoma Education Lottery
8 Trust Fund are made to The Oklahoma State System of Higher
9 Education, the appropriations shall be made available to the System
10 on a monthly basis. In addition to the provisions of subsection B
11 of this section, the following process shall be used to ensure that
12 the appropriations are made available to The Oklahoma State System
13 of Higher Education in a timely manner:

14 1. Beginning in July of the fiscal year in which appropriations
15 are made to The Oklahoma State System of Higher Education from the
16 Oklahoma Education Lottery Trust Fund, the Commission, on or before
17 the ninth day of each month, shall transfer to the State Treasurer,
18 for credit to the Oklahoma Education Lottery Trust Fund, the amount
19 of net proceeds accruing during the preceding month equal to the
20 amount of total monthly collections due to the Oklahoma State
21 Regents for Higher Education as required by paragraph 2 of
22 subsection C of this section;

23 2. The Director of the Office of Management and Enterprise
24 Services shall allocate the transfers provided for in paragraph 1 of

1 this subsection to the Oklahoma State Regents for Higher Education
2 on a monthly basis, not to exceed one-twelfth (1/12) of the annual
3 apportionment for the fiscal year; and

4 3. The total amount of transfers to the Oklahoma Education
5 Lottery Trust Fund of net lottery proceeds made pursuant to this
6 subsection shall not exceed the total appropriations made to The
7 Oklahoma State System for Higher Education from the Oklahoma
8 Education Lottery Trust Fund for the specific fiscal year.

9 SECTION 2. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 18-126 of Title 70, unless there
11 is created a duplication in numbering, reads as follows:

12 A. There is hereby created in the State Treasury a revolving
13 fund for the State Board of Education to be designated the "Common
14 Education Lottery Revolving Fund". The fund shall be a continuing
15 fund, not subject to fiscal year limitations, and shall consist of
16 all monies received from transfers made from the Oklahoma Education
17 Lottery Trust Fund in accordance with Section 713 of Title 3A of the
18 Oklahoma Statutes and any other funds obtained or received by the
19 Board. All monies accruing to the credit of the fund are hereby
20 appropriated and may be budgeted and expended by the State Board of
21 Education as authorized in subsection C of this section.

22 Expenditures from the fund shall be made upon warrants issued by the
23 State Treasurer against claims filed as prescribed by law with the
24 Director of the Office of Management and Enterprise Services for

1 approval and payment. The monies in the fund shall be invested by
2 the State Treasurer in accordance with state investment practices.
3 All earnings attributable to such investments shall likewise accrue
4 to the credit of the fund.

5 B. Beginning October 15, 2013, and on or before the fifteenth
6 day of each month thereafter, the Oklahoma Lottery Commission shall
7 transfer to the State Treasurer, for credit to the Common Education
8 Lottery Revolving Fund, an amount of net proceeds equal to the
9 average monthly amount accruing during the preceding three (3)
10 months.

11 C. On or before October 15 of the fiscal year for which funds
12 are appropriated to the Common Education Lottery Revolving Fund as
13 provided for in subsection D of Section 713 of Title 3A of the
14 Oklahoma Statutes, and on or before the fifteenth day of each
15 calendar month thereafter, all monies accruing to the credit of the
16 Common Education Lottery Revolving Fund shall be distributed by the
17 State Board of Education to all common school districts on a per
18 capita basis. Common school districts may use the monies for
19 kindergarten through twelfth grade public education, including but
20 not limited to compensation and benefits for public school teachers
21 and support employees, the purchase and maintenance of technology
22 and for early childhood development programs, including but not
23 limited to costs associated with prekindergarten and full-day
24 kindergarten programs. For distributions made each year from August

1 through December, payments shall be calculated based upon the
2 preceding school year enrollment. For the January payment and every
3 other payment distributed through the end of the fiscal year,
4 payments shall be calculated based on the current school year
5 enrollment.

6 SECTION 3. This act shall become effective July 1, 2013.

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

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