

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

HOUSE BILL 2759

By: Kirby

AS INTRODUCED

An Act relating to amusements and sports; amending 3A O.S. 2011, Sections 703 and 710, which relate to the Oklahoma Education Lottery Act; modifying certain definitions; and providing an effective date.

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

SECTION 1. AMENDATORY 3A O.S. 2011, Section 703, is amended to read as follows:

Section 703. As used in the Oklahoma Education Lottery Act:

1. "Administrative expenses" means operating expenses, excluding amounts set aside for prizes, regardless of whether such prizes are claimed and excluding amounts deposited to the Fidelity Revolving Fund pursuant to Section ~~20~~ 719 of this ~~act~~ title;

2. "Board" means the board of trustees of the Oklahoma Lottery Commission;

3. "Capital outlay projects" means the acquisition, construction, installation, modification, renovation, repair, extension, renewal, replacement, or rehabilitation of land,

1 interests in land, buildings, structures, facilities, or other  
2 improvements and the acquisition, installation, modification,  
3 renovation, repair, extension, renewal, replacement, rehabilitation,  
4 or furnishing of fixtures, machinery, equipment, computers,  
5 software, laboratories, furniture, textbooks, and reference material  
6 or other property of any nature whatsoever used on, in, or in  
7 connection with educational facilities;

8 4. "Commission" means the Oklahoma Lottery Commission;

9 5. "Educational facilities" means land, structures, and  
10 buildings owned or operated by and through the Oklahoma State  
11 Regents for Higher Education, the State Board of Education, the  
12 Oklahoma Department of Career and Technology Education, or by any  
13 school district within this state. A public road or highway leading  
14 to an educational facility shall not be considered an educational  
15 facility;

16 6. "Executive director" means the chief executive officer and  
17 administrator of the Oklahoma Lottery Commission;

18 7. "Gross proceeds" means all revenue derived from the sale of  
19 lottery tickets or shares and all other monies derived from the  
20 lottery;

21 8. "Instant ticket" means a lottery ticket that requires the  
22 player to remove a coating to determine if a prize has been won;

23 9. "Lottery", "lotteries", "lottery game", or "lottery games"  
24 means an activity conducted by the Commission under the Oklahoma

1 Education Lottery Act through which prizes are awarded or  
2 distributed by chance among persons who have paid for a chance or  
3 other opportunity to receive a prize, including, but not limited to,  
4 instant tickets and ~~on-line~~ online games, but excluding charity  
5 bingo and games conducted pursuant to the Oklahoma Charity Games  
6 Act, poker, blackjack, slot machines, pulltab machines, card games,  
7 dice, dominos, roulette wheels, or other similar forms of gambling,  
8 or electronic or video forms of these gambling activities, or games  
9 where winners are determined by the outcome of a sports contest  
10 unless each contestant's selections are picked randomly and the  
11 contestant has no control over picking the selections, or pari-  
12 mutuel betting conducted pursuant to the Oklahoma Horse Racing Act;

13 10. "Major procurement contract" means any gaming product or  
14 service costing in excess of Twenty-five Thousand Dollars  
15 (\$25,000.00), including, but not limited to, major advertising  
16 contracts, annuity contracts, prize payment agreements, consulting  
17 services, equipment, tickets, and other products and services unique  
18 to the Oklahoma lottery, but not including materials, supplies,  
19 equipment, and services common to the ordinary operations of the  
20 Commission;

21 11. "Member" or "members" means a trustee or trustees of the  
22 board of trustees of the Oklahoma Lottery Commission;  
23  
24

1 12. "Member of a minority" means an individual who is a member  
2 of a race which comprises less than fifty percent (50%) of the total  
3 population of Oklahoma;

4 13. "Minority business" means any business which is owned by:

5 a. an individual who is a member of a minority who

6 reports as the personal income of the individual for

7 Oklahoma income tax purposes the income of the

8 business,

9 b. a partnership in which a majority of the ownership

10 interest is owned by one or more members of a minority

11 who report as their personal income for Oklahoma

12 income tax purposes more than fifty percent (50%) of

13 the income of the partnership, or

14 c. a corporation organized under the laws of this state

15 in which a majority of the common stock is owned by

16 one or more members of a minority who report as their

17 personal income for Oklahoma income tax purposes more

18 than fifty percent (50%) of the distributed earnings

19 of the corporation;

20 14. "Net proceeds" means all revenue derived from the sale of  
21 lottery tickets or shares and all other monies derived from the  
22 lottery less operating expenses;

23 15. "~~On-line~~ Online games" means a game where tickets or shares  
24 are purchased through a network of computer terminals located at

1 retail outlets, and such terminals are linked to a central computer  
2 that records the purchases;

3 16. "Operating expenses" means all costs of doing business,  
4 including but not limited to, prizes, commissions, and other  
5 compensation paid to retailers, advertising and marketing costs,  
6 personnel costs, capital costs, amounts held in or paid from the  
7 Fidelity Revolving Fund pursuant to Section ~~20~~ 719 of this ~~act~~  
8 title, debt service payments for the payment of the initial expenses  
9 of start-up, administration, and operation of the Commission and the  
10 lottery, and other operating costs;

11 17. "Pari-mutuel betting" means the pari-mutuel system of  
12 wagering as defined in Section 200.1 of ~~Title 3A of the Oklahoma~~  
13 ~~Statutes~~ this title. Such term shall not include a lottery game  
14 which may be predicated on a horse-racing scheme that does not  
15 involve actual track events or traditional lottery games which may  
16 involve the distribution of winnings by pools;

17 18. "Person" means any individual, corporation, partnership,  
18 unincorporated association, limited liability company, or other  
19 legal entity;

20 19. "Retailer" means a person who sells lottery tickets or  
21 shares on behalf of the Commission pursuant to a contract;

22 20. "Share" means any intangible evidence of participation in a  
23 lottery game;

1           21. "Ticket" means any tangible evidence issued by the lottery  
2 to provide participation in a lottery game; and

3           22. "Vendor" means a person who provides or proposes to provide  
4 goods or services to the Commission pursuant to a major procurement  
5 contract, but does not include an employee of the Commission, a  
6 retailer, or a state agency or instrumentality thereof. Such term  
7 does not include any corporation whose shares are publicly traded  
8 and which is the parent company of the contracting party in a major  
9 procurement contract.

10           SECTION 2.           AMENDATORY           3A O.S. 2011, Section 710, is  
11 amended to read as follows:

12           Section 710. The board of trustees of the Oklahoma Lottery  
13 Commission may promulgate rules regulating the conduct of lottery  
14 games in general, including, but not limited to, rules specifying:

15           1. The type of lottery games to be conducted, including, but  
16 not limited to, instant lotteries and other games traditional to the  
17 lottery;

18           2. The sale price of tickets or shares and the manner of sale.  
19 All sales shall be for cash only and payment by checks, credit  
20 cards, charge cards, debit cards, or any form of deferred payment is  
21 prohibited;

22           3. The number and amount of prizes;

23           4. The method and location of selecting or validating winning  
24 tickets or shares;

1           5. The manner and time of payment of prizes, which may include  
2 lump-sum payments or installments over a period of years;

3           6. The manner of payment of prizes to the holders of winning  
4 tickets or shares, including, without limitation, provision for  
5 payment of prizes by retailers not exceeding Six Hundred Dollars  
6 (\$600.00) after deducting the price of the ticket or share and after  
7 performing validation procedures appropriate to the game and as  
8 specified by the board. The board may provide for a limited number  
9 of retailers who can pay prizes of up to Five Thousand Dollars  
10 (\$5,000.00) after performing validation procedures appropriate to  
11 the game and as specified by the board without regard to where the  
12 ticket or share was purchased;

13           7. The frequency of games and drawings or selection of winning  
14 tickets or shares;

15           8. The means of conducting drawings;

16           9. The method to be used in selling tickets or shares;

17           10. The manner and amount of compensation to lottery retailers;

18 and

19           11. Any other matters necessary to ensure the efficient and  
20 effective operation of lottery games, the continued entertainment  
21 and convenience of the public, and the integrity of the lottery.

22           The board of trustees shall not permit the operation of any  
23 lottery game using a video lottery machine. "Video lottery machine"  
24 means any electronic video game machine that, upon furnishing of

1 consideration, is available to play or simulate the play of a video  
2 game, including, but not limited to, bingo and games conducted  
3 pursuant to the Oklahoma Charity Games Act, poker, blackjack, slot  
4 machines, pulltab machines, card games, dice, dominos, roulette  
5 wheels, or other similar forms of gambling, or games where winners  
6 are determined by the outcome of a sports contest unless each  
7 contestant's selections are picked randomly and the contestant has  
8 no control over picking the selections, using a video display and  
9 microprocessors in which the player may receive free games or  
10 credits that can be redeemed for cash, coins or tokens, or that  
11 directly dispenses cash, coins or tokens.

12 SECTION 3. This act shall become effective November 1, 2016.

13  
14 55-2-8104 JM 12/28/15  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24