

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB1619

By: Derby of the House and Standridge of the Senate

Title: Lotteries; requiring Oklahoma Lottery Commission to notify Oklahoma Health Care Authority of certain individuals; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

SENATE CONFEREES

- Allen _____
- Anderson _____
- Barrington _____
- Bass _____
- Bice _____
- Bingman _____
- Boggs _____
- Brecheen _____
- Brinkley _____
- Brooks _____
- Brown _____
- Crain _____
- Dahm _____
- David _____
- Fields _____
- Floyd _____
- Ford _____
- Fry _____
- Garrison _____
- Griffin _____
- Halligan _____
- Holt _____
- Jech _____
- Jolley _____
- Justice _____

Loveless

Marlatt

Mazzei

Newberry

Paddack

Pittman

Quinn

Schulz

Sharp

Shaw

Shortey

Shumate

Silk

Simpson

Smalley

Sparks

Standridge

Stanislawski

Sykes

Thompson

Treat

Wyrick

Yen

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1619

By: Derby of the House

and

Standridge of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Education Lottery Act; requiring Oklahoma Lottery Commission to notify Oklahoma Health Care Authority of certain individuals; requiring Oklahoma Lottery Commission to develop certain guidelines and procedures; amending 3A O.S. 2011, Sections 703 and 710, which relate to definitions and rules for the Oklahoma Education Lottery Act; modifying certain exclusions; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 724.5 of Title 3A, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Lottery Commission shall notify the Oklahoma Health Care Authority of individuals who win lottery prize monies in excess of One Thousand Dollars (\$1,000.00) pursuant to Section 710 of Title

1 3A of the Oklahoma Statutes. The Oklahoma Lottery Commission shall
2 develop guidelines and procedures for timely notifying the Oklahoma
3 Health Care Authority of such individuals, including identification
4 of the individuals, amount of monies won, and the date money was or
5 is to be distributed. Such guidelines shall be in compliance with
6 any relevant confidentiality provisions pursuant to Section 725 of
7 Title 3A of the Oklahoma Statutes.

8 SECTION 2. AMENDATORY 3A O.S. 2011, Section 703, is
9 amended to read as follows:

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

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

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

17 3. "Capital outlay projects" means the acquisition,
18 construction, installation, modification, renovation, repair,
19 extension, renewal, replacement, or rehabilitation of land,
20 interests in land, buildings, structures, facilities, or other
21 improvements and the acquisition, installation, modification,
22 renovation, repair, extension, renewal, replacement, rehabilitation,
23 or furnishing of fixtures, machinery, equipment, computers,
24 software, laboratories, furniture, textbooks, and reference material

1 or other property of any nature whatsoever used on, in, or in
2 connection with educational facilities;

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

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

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

13 7. "Gross proceeds" means all revenue derived from the sale of
14 lottery tickets or shares and all other monies derived from the
15 lottery;

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

18 9. "Lottery", "lotteries", "lottery game", or "lottery games"
19 means an activity conducted by the Commission under the Oklahoma
20 Education Lottery Act through which prizes are awarded or
21 distributed by chance among persons who have paid for a chance or
22 other opportunity to receive a prize, including, but not limited to,
23 instant tickets and on-line games, but excluding charity bingo and
24 games conducted pursuant to the Oklahoma Charity Games Act, poker,

1 blackjack, slot machines, pulltab machines, card games, dice,
2 dominos, roulette wheels, or other similar forms of gambling, or
3 electronic or video forms of these gambling activities, or games
4 where winners are determined by the outcome of a sports contest
5 unless each contestant's selections are picked randomly, and the
6 contestant has no control over picking the selections, or pari-
7 mutuel betting conducted pursuant to the Oklahoma Horse Racing Act;

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

16 11. "Member" or "members" means a trustee or trustees of the
17 board of trustees of the Oklahoma Lottery Commission;

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

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

- 22 a. an individual who is a member of a minority who
23 reports as the personal income of the individual for
24

1 Oklahoma income tax purposes the income of the
2 business,

3 b. a partnership in which a majority of the ownership
4 interest is owned by one or more members of a minority
5 who report as their personal income for Oklahoma
6 income tax purposes more than fifty percent (50%) of
7 the income of the partnership, or

8 c. a corporation organized under the laws of this state
9 in which a majority of the common stock is owned by
10 one or more members of a minority who report as their
11 personal income for Oklahoma income tax purposes more
12 than fifty percent (50%) of the distributed earnings
13 of the corporation;

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

17 15. "On-line games" means a game where tickets or shares are
18 purchased through a network of computer terminals located at retail
19 outlets, and such terminals are linked to a central computer that
20 records the purchases;

21 16. "Operating expenses" means all costs of doing business,
22 including but not limited to, prizes, commissions, and other
23 compensation paid to retailers, advertising and marketing costs,
24 personnel costs, capital costs, amounts held in or paid from the

1 Fidelity Revolving Fund pursuant to Section ~~20~~ 719 of this ~~act~~
2 title, debt service payments for the payment of the initial expenses
3 of start-up, administration, and operation of the Commission and the
4 lottery, and other operating costs;

5 17. "Pari-mutuel betting" means the pari-mutuel system of
6 wagering as defined in Section 200.1 of Title 3A of the Oklahoma
7 Statutes. Such term shall not include a lottery game which may be
8 predicated on a horse-racing scheme that does not involve actual
9 track events or traditional lottery games which may involve the
10 distribution of winnings by pools;

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

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

16 20. "Share" means any intangible evidence of participation in a
17 lottery game;

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

20 22. "Vendor" means a person who provides or proposes to provide
21 goods or services to the Commission pursuant to a major procurement
22 contract, but does not include an employee of the Commission, a
23 retailer, or a state agency or instrumentality thereof. Such term
24 does not include any corporation whose shares are publicly traded

1 and which is the parent company of the contracting party in a major
2 procurement contract.

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

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

8 1. The type of lottery games to be conducted, including, but
9 not limited to, instant lotteries and other games traditional to the
10 lottery;

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

15 3. The number and amount of prizes;

16 4. The method and location of selecting or validating winning
17 tickets or shares;

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

20 6. The manner of payment of prizes to the holders of winning
21 tickets or shares, including, without limitation, provision for
22 payment of prizes by retailers not exceeding Six Hundred Dollars
23 (\$600.00) after deducting the price of the ticket or share and after
24 performing validation procedures appropriate to the game and as

1 specified by the board. The board may provide for a limited number
2 of retailers who can pay prizes of up to Five Thousand Dollars
3 (\$5,000.00) after performing validation procedures appropriate to
4 the game and as specified by the board without regard to where the
5 ticket or share was purchased;

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

8 8. The means of conducting drawings;

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

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

11 and

12 11. Any other matters necessary to ensure the efficient and
13 effective operation of lottery games, the continued entertainment
14 and convenience of the public, and the integrity of the lottery.

15 The board of trustees shall not permit the operation of any
16 lottery game using a video lottery machine. "Video lottery machine"
17 means any electronic video game machine that, upon furnishing of
18 consideration, is available to play or simulate the play of a video
19 game, including, but not limited to, bingo and games conducted
20 pursuant to the Oklahoma Charity Games Act, poker, blackjack, slot
21 machines, pulltab machines, card games, dice, dominos, roulette
22 wheels, or other similar forms of gambling, or games where winners
23 are determined by the outcome of a sports contest unless each
24 contestant's selections are picked randomly, and the contestant has

1 no control over picking the selections, using a video display and
2 microprocessors in which the player may receive free games or
3 credits that can be redeemed for cash, coins or tokens, or that
4 directly dispenses cash, coins or tokens.

5 SECTION 4. This act shall become effective November 1, 2015.

6
7 55-1-7504 SD 05/12/15
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24