

1 ENGROSSED SENATE
2 BILL NO. 1432

By: Howard of the Senate

3 and

4 Kannady of the House

5
6 An Act relating to Oklahoma Education Lottery Act;
7 amending 3A O.S. 2021, Section 703, which relates to
8 definitions; modifying definitions; amending 3A O.S.
9 2021, Section 705, which relates to the board of
10 trustees; removing provisions for initial membership;
11 amending 3A O.S. 2021, Section 711, which relates to
12 the executive director; modifying reporting
13 frequency; amending 3A O.S. 2021, Section 712, as
14 amended by Section 1, Chapter 332, O.S.L. 2023 (3A
15 O.S. Supp. 2023, Section 712), which relates to
16 employees of the Oklahoma Lottery Commission;
17 removing prohibition of employee from certain
18 employment following termination; updating statutory
19 language; amending 3A O.S. 2021, Section 713, as last
20 amended by Section 2, Chapter 332, O.S.L. 2023 (3A
21 O.S. Supp. 2023, Section 713), which relates to the
22 Oklahoma Education Lottery Trust Fund; removing
23 method of transfer of certain funds; modifying
24 portion of annual appropriation; directing certain
funds from the Oklahoma Education Lottery Trust Fund
to go into certain funds; providing for method of
apportionment to be transferred from fund into the
specified funds; directing remainder of funds to be
transferred into certain fund by certain date;
updating statutory reference; repealing 3A O.S. 2021,
Section 719, which relates to the Fidelity Revolving
Fund; repealing 3A O.S. 2021, Section 732, which
relates to negotiable bonds and promissory notes; and
providing an effective date.

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

23 SECTION 1. AMENDATORY 3A O.S. 2021, Section 703, is
24 amended to read as follows:

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

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

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

8 3. "Capital outlay projects" means the acquisition,
9 construction, installation, modification, renovation, repair,
10 extension, renewal, replacement, or rehabilitation of land,
11 interests in land, buildings, structures, facilities, or other
12 improvements and the acquisition, installation, modification,
13 renovation, repair, extension, renewal, replacement, rehabilitation,
14 or furnishing of fixtures, machinery, equipment, computers,
15 software, laboratories, furniture, textbooks, and reference material
16 or other property of any nature whatsoever used on, in, or in
17 connection with educational facilities;

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

19 5. "Educational facilities" means land, structures, and
20 buildings owned or operated by and through the Oklahoma State
21 Regents for Higher Education, the State Board of Education, the
22 Oklahoma Department of Career and Technology Education, or by any
23 school district within this state. A public road or highway leading
24

1 to an educational facility shall not be considered an educational
2 facility;

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

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

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

10 9. "Lottery", "lotteries", "lottery game", or "lottery games"
11 means an activity conducted by the Commission under the Oklahoma
12 Education Lottery Act through which prizes are awarded or
13 distributed by chance among persons who have paid for a chance or
14 other opportunity to receive a prize, including, but not limited to,
15 instant tickets and on-line games, but excluding charity bingo and
16 games conducted pursuant to the Oklahoma Charity Games Act, poker,
17 blackjack, slot machines, pulltab machines, card games, dice,
18 dominos, roulette wheels, or other similar forms of gambling, or
19 electronic or video forms of these gambling activities, or games
20 where winners are determined by the outcome of a sports contest, or
21 pari-mutuel betting conducted pursuant to the Oklahoma Horse Racing
22 Act;

23 10. "Major procurement contract" means any gaming product or
24 service costing in excess of Twenty-five Thousand Dollars

1 (\$25,000.00), including, but not limited to, major advertising
2 contracts, annuity contracts, prize payment agreements, consulting
3 services, equipment, tickets, and other products and services unique
4 to the Oklahoma lottery, but not including materials, supplies,
5 equipment, and services common to the ordinary operations of the
6 Commission;

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

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

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

- 13 a. an individual who is a member of a minority who
14 reports as the personal income of the individual for
15 Oklahoma income tax purposes the income of the
16 business,
- 17 b. a partnership in which a majority of the ownership
18 interest is owned by one or more members of a minority
19 who report as their personal income for Oklahoma
20 income tax purposes more than fifty percent (50%) of
21 the income of the partnership, or
- 22 c. a corporation organized under the laws of this state
23 in which a majority of the common stock is owned by
24 one or more members of a minority who report as their

1 personal income for Oklahoma income tax purposes more
2 than fifty percent (50%) of the distributed earnings
3 of the corporation;

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

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

11 16. "Operating expenses" means all costs of doing business,
12 including but not limited to, prizes, commissions, and other
13 compensation paid to retailers, advertising and marketing costs,
14 personnel costs, capital costs, ~~amounts held in or paid from the~~
15 ~~Fidelity Revolving Fund pursuant to Section 20 of this act, debt~~
16 ~~service payments for the payment of the initial expenses of start-~~
17 ~~up,~~ administration, and operation of the Commission and the lottery,
18 and other operating costs;

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

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

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

6 20. "Share" means any intangible evidence of participation in a
7 lottery game;

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

10 22. "Vendor" means a person who provides or proposes to provide
11 goods or services to the Commission pursuant to a major procurement
12 contract, but does not include an employee of the Commission, a
13 retailer, or a state agency or instrumentality thereof. Such term
14 does not include any corporation whose shares are publicly traded
15 and which is the parent company of the contracting party in a major
16 procurement contract.

17 SECTION 2. AMENDATORY 3A O.S. 2021, Section 705, is
18 amended to read as follows:

19 Section 705. A. The Oklahoma Lottery Commission shall be
20 governed by a board of trustees composed of seven (7) members to be
21 appointed by the Governor with the advice and consent of the Senate.
22 Not more than two members shall be appointed from any single
23 congressional district.

1 B. Members shall be residents of the State of Oklahoma, shall
2 be prominent persons in their businesses or professions, and shall
3 not have been convicted of any felony offense, and shall not be
4 awaiting sentencing on a plea of guilt or nolo contendere to a
5 felony offense. At least one member of the board shall be engaged
6 in the practice of law, at least one member shall be engaged in the
7 practice of accounting, and at least one member shall have expertise
8 in marketing.

9 C. Members shall serve terms of five (5) years, ~~except that of~~
10 ~~the initial members appointed, one shall be appointed for an initial~~
11 ~~term of one (1) year, one shall be appointed for an initial term of~~
12 ~~two (2) years, one shall be appointed for an initial term of three~~
13 ~~(3) years, two shall be appointed for initial terms of four (4)~~
14 ~~years, and two shall be appointed for initial terms of five (5)~~
15 ~~years.~~ Any vacancy occurring on the board shall be filled by the
16 Governor by appointment with the advice and consent of the Senate
17 for the remainder of the unexpired term.

18 D. Members of the board shall not have any direct or indirect
19 interest in an undertaking that puts their personal interest in
20 conflict with that of the Commission, including, but not limited to,
21 an interest in a major procurement contract or a participating
22 retailer.

23 E. Members of the board shall be reimbursed for travel expenses
24 pursuant to the State Travel Reimbursement Act.

1 F. The members shall elect from their membership a chair, vice-
2 chair, secretary, and treasurer. Such officers shall serve for such
3 terms as shall be prescribed by the rules of the Commission or until
4 their respective successors are elected and qualified. No member of
5 the board shall hold more than any one office of the Commission at
6 the same time, except that the same person may serve as secretary
7 and treasurer.

8 G. The board of trustees shall employ an executive director of
9 the Commission.

10 H. A majority of members in office shall constitute a quorum
11 for the transaction of any business and for the exercise of any
12 power or function of the Commission.

13 I. All meetings of the board shall be subject to the Oklahoma
14 Open Meeting Act. Action may be taken and motions and resolutions
15 adopted by the board at any meeting thereof by the affirmative vote
16 of a majority of present and voting board members.

17 J. No vacancy in the membership of the board shall impair the
18 right of the members to exercise all the powers and perform all the
19 duties of the board.

20 SECTION 3. AMENDATORY 3A O.S. 2021, Section 711, is
21 amended to read as follows:

22 Section 711. A. The executive director of the Oklahoma Lottery
23 Commission shall direct and supervise all administrative and
24 technical activities in accordance with the provisions of the

Oklahoma Education Lottery Act and with the rules promulgated by the board of trustees of the Oklahoma Lottery Commission. It shall be the duty of the executive director to:

1. Facilitate the initiation of and supervise and administer the operation of the lottery games;

2. Employ by contract and compensate such persons and firms as deemed necessary;

3. Promote or provide for promotion of the lottery and any functions related to the Commission;

4. Prepare a budget for the approval of the board;

5. Require bond from such retailers and vendors in such amounts as required by the board;

6. Report ~~quarterly~~ annually to the State Auditor and Inspector and the board a full and complete statement of lottery revenues and expenses for the preceding quarter; and

7. Perform other duties generally associated with an executive director or a chief executive officer of a state lottery.

B. In accordance with the provisions of the Oklahoma Education Lottery Act or the rules of the board, the executive director may for good cause suspend, revoke, or refuse to renew any contract entered into.

C. The executive director or designee may conduct hearings and administer oaths to persons for the purpose of assuring the security

1 or integrity of lottery operations or to determine the
2 qualifications of or compliance by vendors and retailers.

3 SECTION 4. AMENDATORY 3A O.S. 2021, Section 712, as
4 amended by Section 1, Chapter 332, O.S.L. 2023 (3A O.S. Supp. 2023,
5 Section 712), is amended to read as follows:

6 Section 712. A. The executive director of the Oklahoma Lottery
7 Commission, with the approval of the board of trustees, shall employ
8 such personnel as may be necessary to carry out the provisions of
9 ~~this act~~ the Oklahoma Education Lottery Act and shall set the
10 compensation and terms of compensation of such employees. All
11 offices, positions, and personnel of the Oklahoma Lottery Commission
12 shall be in the unclassified service.

13 B. No employee of the Commission shall have a financial
14 interest in any vendor doing business or proposing to do business
15 with the Commission.

16 C. No employee of the Commission shall participate in any
17 decision involving a retailer with whom the employee has a financial
18 interest.

19 ~~D. No employee of the Commission who leaves the employment of~~
20 ~~the Commission may represent any vendor or lottery retailer before~~
21 ~~the Commission for a period of two (2) years following termination~~
22 ~~of employment with the Commission.~~

23 ~~E.~~ A background investigation shall be conducted on each
24 applicant who has reached the final selection process prior to

1 employment by the Commission and on every employee of the Commission
2 for each calendar year. The results of a background investigation
3 shall not be considered a record open to the public pursuant to the
4 Oklahoma Open Records Act.

5 ~~F.~~ E. No person who has been convicted of any felony or a
6 misdemeanor involving illegal gambling or involving moral turpitude
7 shall be employed by the Commission, nor shall the Commission employ
8 a person who is awaiting sentencing on a plea of guilt or nolo
9 contendere to such a felony or misdemeanor.

10 ~~G.~~ F. The Commission shall bond Commission employees with
11 access to Commission funds or lottery revenue in an amount specified
12 by the board and may bond other employees as deemed necessary.

13 SECTION 5. AMENDATORY 3A O.S. 2021, Section 713, as last
14 amended by Section 2, Chapter 332, O.S.L. 2023 (3A O.S. Supp. 2023,
15 Section 713), is amended to read as follows:

16 Section 713. A. All gross proceeds shall be the property of
17 the Oklahoma Lottery Commission. From its gross proceeds, the
18 Commission shall pay the operating expenses of the Commission. At
19 least forty-five percent (45%) of gross proceeds shall be made
20 available as prize money. However, the provisions of this
21 subsection shall be deemed not to create any lien, entitlement,
22 cause of action, or other private right, and any rights of holders
23 of tickets or shares shall be determined by the Commission in
24 setting the terms of its lottery or lotteries.

1 B. There is hereby created in the State Treasury a fund to be
2 designated the "Oklahoma Education Lottery Trust Fund". ~~Except as~~
3 ~~otherwise provided in subsections G and H of this section, on or~~
4 ~~before the fifteenth day of each calendar quarter, the Commission~~
5 ~~shall transfer to the State Treasurer, for credit to the Oklahoma~~
6 ~~Education Lottery Trust Fund, the amount of all net proceeds~~
7 ~~accruing during the preceding calendar quarter.~~ Expenditures from
8 the fund shall be made upon warrants issued by the State Treasurer
9 against claims filed as prescribed by law with the Director of the
10 Office of Management and Enterprise Services for approval and
11 payment.

12 C. Upon their deposit into the State Treasury, any monies
13 representing a deposit of net proceeds shall then become the
14 unencumbered property of this state, and neither the Commission nor
15 the board of trustees shall have the power to agree or undertake
16 otherwise. The monies shall be invested by the State Treasurer in
17 accordance with state investment practices. All earnings
18 attributable to such investments shall likewise be the unencumbered
19 property of the state and shall accrue to the credit of the fund
20 provided for in subsection B of this section.

21 1. The first Sixty-five Million Dollars (\$65,000,000.00) of
22 monies contributed annually to the Oklahoma Education Lottery Trust
23 Fund shall only be appropriated as follows:

24 a. forty-five percent (45%) for the following:

- (1) kindergarten through twelfth grade public education, including but not limited to compensation and benefits for public school teachers and support employees, and
 - (2) early childhood development programs, which shall include but not be limited to costs associated with prekindergarten and full-day kindergarten programs,
- b. forty-five percent (45%) for the following:
- (1) tuition grants, loans and scholarships to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges and universities are owned or operated by the Oklahoma State Regents for Higher Education, or to attend institutions operated under the authority of the Oklahoma Department of Career and Technology Education; provided, such tuition grants, loans and scholarships shall not be made to a citizen of this state to attend a college or university which is not accredited by the Oklahoma State Regents for Higher Education,
 - (2) construction of educational facilities for elementary school districts, independent school

1 districts, The Oklahoma State System of Higher
2 Education, and career and technology education,
3 (3) capital outlay projects for elementary school
4 districts, independent school districts, The
5 Oklahoma State System of Higher Education, and
6 career and technology education,
7 (4) technology for public elementary school district,
8 independent school district, state higher
9 education, and career and technology education
10 facilities, which shall include but not be
11 limited to costs of providing to teachers at
12 accredited public institutions who teach levels
13 kindergarten through twelfth grade, personnel at
14 technology centers under the authority of the
15 Oklahoma State Department of Career and
16 Technology Education, and professors and
17 instructors within The Oklahoma State System of
18 Higher Education, the necessary training in the
19 use and application of computers and advanced
20 electronic instructional technology to implement
21 interactive learning environments in the
22 classroom and to access the statewide distance
23 learning network and costs associated with
24

1 repairing and maintaining advanced electronic
2 instructional technology,
3 (5) endowed chairs for professors at institutions of
4 higher education operated by The Oklahoma State
5 System of Higher Education, and
6 (6) programs and personnel of the Oklahoma School for
7 the Deaf and the Oklahoma School for the Blind,
8 c. five percent (5%) to the School Consolidation ~~and~~
9 Assistance Fund. When the total amount in the School
10 Consolidation ~~and~~ Assistance Fund from all sources
11 equals Five Million Dollars (\$5,000,000.00), all
12 monies appropriated pursuant to this subparagraph
13 which would otherwise be deposited in the School
14 Consolidation ~~and~~ Assistance Fund in excess of Five
15 Million Dollars (\$5,000,000.00) shall be allocated by
16 the State Department of Education to public schools
17 based on the audited end-of-year average daily
18 membership in grades 8 through 12 during the preceding
19 school year for the purpose of purchasing technology
20 equipment. If at any time the total amount in the
21 School Consolidation ~~and~~ Assistance Fund drops below
22 Five Million Dollars (\$5,000,000.00), the monies
23 appropriated pursuant to this subparagraph shall be
24 deposited in the School Consolidation ~~and~~ Assistance

1 Fund until the Fund again reaches Five Million Dollars
2 (\$5,000,000.00), and

3 d. five percent (5%) to the Teachers' Retirement System
4 Dedicated Revenue Revolving Fund.

5 In no instance shall the annual maximum percentage for
6 administrative costs, not including marketing and advertising costs,
7 funds set aside for prizes, commissions paid to retailers, contract
8 fees paid to gaming system vendors and instant ticket providers or
9 emergency-related capital expenses, exceed three percent (3%) of
10 sales.

11 2. The remaining portion of lottery annual net proceeds
12 deposited to the Oklahoma Education Lottery Trust Fund that exceeds
13 Sixty-five Million Dollars (\$65,000,000.00) shall be ~~deposited~~
14 transferred by the Office of Management and Enterprise Services to
15 the credit of the Teacher Empowerment Revolving Fund created in
16 Section ~~2 of this act~~ 6-190.2 of Title 70 of the Oklahoma Statutes.

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

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

15 F. Except as otherwise provided by this subsection, no
16 deficiency in the Oklahoma Education Lottery Trust Fund shall be
17 replenished by reducing any nonlottery funds including, specifically
18 but without limitation, the General Revenue Fund, the Constitutional
19 Reserve Fund, or the Education Reform Revolving Fund of the State
20 Department of Education. No program or project started specifically
21 from lottery proceeds shall be continued from the General Revenue
22 Fund, the Constitutional Reserve Fund, or the Education Reform
23 Revolving Fund of the State Department of Education. Such programs
24 must be adjusted or discontinued according to available lottery

1 proceeds unless the Legislature by general law establishes
2 eligibility requirements and appropriates specific funds therefor.
3 No surplus in the Oklahoma Education Lottery Trust Fund shall be
4 reduced or transferred to correct any nonlottery deficiencies in
5 sums available for general appropriations. The provisions of this
6 subsection shall not apply to bonds or other obligations issued
7 pursuant to or to the repayment of bonds or other obligations issued
8 pursuant to the Oklahoma Higher Education Promise of Excellence Act
9 of 2005.

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

1 prescribed by law with the Director of the Office of Management and
2 Enterprise Services for approval and payment.

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

7 H. When appropriations from the Oklahoma Education Lottery
8 Trust Fund are made to common education pursuant to the provisions
9 of subparagraph a of paragraph 1 of subsection C of this section,
10 the appropriations shall be made available on a monthly basis. ~~In~~
11 ~~addition to the provisions of subsections B and C of this section,~~
12 ~~the~~ The following process shall be used to ensure that the
13 appropriations are made available to common education in a timely
14 manner:

15 1. Beginning in July of the fiscal year in which appropriations
16 are made to common education from the Oklahoma Education Lottery
17 Trust Fund, the Commission, on or before the ninth day of each
18 month, shall transfer to the State Treasurer, for credit to the
19 Oklahoma Education Lottery Trust Fund, ~~the amount of net proceeds~~
20 ~~accruing during the preceding month equal to the amount of total~~
21 ~~monthly collections~~ one-twelfth (1/12) of the annual apportionment
22 due to common education as required by subparagraph a of paragraph 1
23 of subsection C of this section;

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

6 3. The total amount of transfers to the Oklahoma Education
7 Lottery Trust Fund of net lottery proceeds made pursuant to this
8 subsection shall not exceed the total appropriations made to common
9 education from the Oklahoma Education Lottery Trust Fund for the
10 specific fiscal year.

11 I. When appropriations from the Oklahoma Education Lottery
12 Trust Fund are made to The Oklahoma State System of Higher Education
13 pursuant to the provisions of subparagraph b of paragraph 1 of
14 subsection C of this section, the appropriations shall be made
15 available to the System on a monthly basis. ~~In addition to the~~
16 ~~provisions of subsections B and C of this section, the~~ The following
17 process shall be used to ensure that the appropriations are made
18 available to The Oklahoma State System of Higher Education in a
19 timely manner:

20 1. Beginning in July of the fiscal year in which appropriations
21 are made to The Oklahoma State System of Higher Education from the
22 Oklahoma Education Lottery Trust Fund, the Commission, on or before
23 the ninth day of each month, shall transfer to the State Treasurer,
24 for credit to the Oklahoma Education Lottery Trust Fund, ~~the amount~~

1 ~~of net proceeds accruing during the preceding month equal to the~~
2 ~~amount of total monthly collections~~ one-twelfth (1/12) of the annual
3 apportionment due to the Oklahoma State Regents for Higher Education
4 as required by subparagraph b of paragraph 1 of subsection C of this
5 section;

6 2. The Director of the Office of Management and Enterprise
7 Services shall allocate the transfers provided for in paragraph 1 of
8 this subsection to the Oklahoma State Regents for Higher Education
9 on a monthly basis, not to exceed one-twelfth (1/12) of the annual
10 apportionment for the fiscal year; and

11 3. The total amount of transfers to the Oklahoma Education
12 Lottery Trust Fund of net lottery proceeds made pursuant to this
13 subsection shall not exceed the total appropriations made to The
14 Oklahoma State System for Higher Education from the Oklahoma
15 Education Lottery Trust Fund for the specific fiscal year.

16 J. When appropriations from the Oklahoma Education Lottery
17 Trust Fund are made to the Oklahoma Department of Career and
18 Technology Education, pursuant to the provisions of subparagraph b
19 of paragraph 1 of subsection C of this section, the appropriations
20 shall be made available on an annual basis. The following process
21 shall be used to ensure that the appropriations to the Oklahoma
22 Education Lottery Trust Fund are available for the Oklahoma
23 Department of Career and Technology Education in a timely manner:
24

1 1. Beginning in July of the fiscal year in which appropriations
2 are made to the Oklahoma Department of Career and Technology
3 Education from the Oklahoma Education Lottery Trust Fund, the
4 Commission, on or before the ninth day of each quarter, shall
5 transfer to the State Treasurer, for credit to the Oklahoma
6 Education Lottery Trust Fund, one-fourth (1/4) of the annual
7 apportionment due to the Oklahoma Department of Career and
8 Technology Education as required by subparagraph b of paragraph 1 of
9 subsection C of this section;

10 2. The Director of the Office of Management and Enterprise
11 Services shall allocate the transfer provided for in paragraph 1 of
12 this subsection to the Oklahoma Department of Career and Technology
13 Education on a quarterly basis, not to exceed one-fourth (1/4) of
14 the annual apportionment for the fiscal year; and

15 3. The total amount of transfers to the Oklahoma Education
16 Lottery Trust Fund of net lottery proceeds made pursuant to this
17 subsection shall not exceed the total appropriations made to the
18 Oklahoma Department of Career and Technology Education from the
19 Oklahoma Education Lottery Trust Fund for the specific fiscal year.

20 K. When appropriations from the Oklahoma Education Lottery
21 Trust Fund are made to the School Consolidation Assistance Fund and
22 Teachers' Retirement System Dedicated Revenue Revolving Fund,
23 pursuant to the provisions of subparagraphs c and d of paragraph 1
24 of subsection C of this section, the appropriations shall be made

1 available on an annual basis. The following process shall be used
2 to ensure that the appropriations are made available to the Oklahoma
3 Education Lottery Trust Fund are made to the School Consolidation
4 Assistance Fund and Teachers' Retirement System Dedicated Revenue
5 Revolving Fund in a timely manner:

6 1. Beginning in July of the fiscal year in which appropriations
7 are made to the School Consolidation Assistance Fund and the
8 Teachers' Retirement System Dedicated Revenue Revolving Fund from
9 the Oklahoma Education Lottery Trust Fund, the Commission, on or
10 before the ninth day of each quarter, shall transfer to the State
11 Treasurer, for credit to the Oklahoma Education Lottery Trust Fund,
12 one-fourth (1/4) of the annual apportionment due to the School
13 Consolidation Assistance Fund and the Teachers' Retirement System
14 Dedicated Revenue Revolving Fund as required by subparagraphs c and
15 d of paragraph 1 of subsection C of this section;

16 2. The Director of the Office of Management and Enterprise
17 Services shall allocate the transfers provided for in paragraph 1 of
18 this subsection to the School Consolidation Assistance Fund and the
19 Teachers' Retirement System Dedicated Revenue Revolving Fund on a
20 quarterly basis, not to exceed one-fourth (1/4) of the annual
21 apportionment for the fiscal year; and

22 3. The total amount of transfers to the Oklahoma Education
23 Lottery Trust Fund of net lottery proceeds made pursuant to this
24 subsection shall not exceed the total appropriations made to the

School Consolidation Assistance Fund and the Teachers' Retirement System Dedicated Revenue Revolving Fund from the Oklahoma Education Lottery Trust Fund for the specific fiscal year.

L. At the conclusion of each fiscal year, the Oklahoma Lottery Commission shall make available all remaining profits to the Oklahoma Education Lottery Trust Fund in the following manner:

1. By July 9 of the proceeding fiscal year, the Oklahoma Lottery Commission shall transfer the five percent (5%) difference between the previous year's State Board of Equalization estimate and the appropriated amount. The cash contribution shall be available for appropriation in the following legislative session pending profit exists above and beyond the prior year's annual appropriation; and

2. By September 30, the Oklahoma Lottery Commission shall transfer all remaining profit as established by an external financial audit pursuant to Section 733 of this title. This cash contribution shall be available for appropriation in the following legislative session pending profit exists above and beyond the prior year's annual appropriation.

SECTION 6. REPEALER 3A O.S. 2021, Section 719, is hereby repealed.

SECTION 7. REPEALER 3A O.S. 2021, Section 732, is hereby repealed.

SECTION 8. This act shall become effective November 1, 2024.

1 Passed the Senate the 4th day of March, 2024.

2
3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2024.

7
8 _____
9 Presiding Officer of the House
10 of Representatives