

FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1109

			Of the printed Bill
Page	<u>1-4</u>	Section	<u>1</u>
		Lines	<u>19-2</u>
			Of the Engrossed Bill

By deleting Section 1 of the bill in its entirety and inserting in lieu thereof the following [SEE ATTACHED]

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Kevin West

Adopted: _____

Reading Clerk

1 "SECTION 1. AMENDATORY 3A O.S. 2011, Section 713, as
2 last amended by Section 1, Chapter 178, O.S.L. 2017 (3A O.S. Supp.
3 2018, Section 713), is amended to read as follows:

4 Section 713. A. All gross proceeds shall be the property of
5 the Oklahoma Lottery Commission. From its gross proceeds, the
6 Commission shall pay the operating expenses of the Commission. At
7 least forty-five percent (45%) of gross proceeds shall be made
8 available as prize money. However, the provisions of this
9 subsection shall be deemed not to create any lien, entitlement,
10 cause of action, or other private right, and any rights of holders
11 of tickets or shares shall be determined by the Commission in
12 setting the terms of its lottery or lotteries.

13 B. For each fiscal year, the first Fifty Million Dollars
14 (\$50,000,000.00) of net proceeds shall be transferred to the
15 Oklahoma Education Lottery Trust Fund.

16 C. All of the proceeds remaining after the apportionment
17 required by subsection B of this section shall be transferred to the
18 Oklahoma Education Lottery Trust Fund as provided in Section 2 of
19 this act. The Oklahoma Lottery Commission shall submit a written
20 report of its findings and any recommendations regarding the impact
21 of having the net proceeds minimum requirement set at a fixed dollar
22 amount. The report shall be submitted to the Governor, the Speaker
23 of the Oklahoma House of Representatives and the President Pro
24

1 Tempore of the Oklahoma State Senate not later than October 1, 2019,
2 and annually thereafter.

3 D. There is hereby created in the State Treasury a fund to be
4 designated the "Oklahoma Education Lottery Trust Fund". Except as
5 otherwise provided in subsections C, ~~J~~ and K and L of this section,
6 on or before the fifteenth day of each calendar quarter, the
7 Commission shall transfer to the State Treasurer, for credit to the
8 Oklahoma Education Lottery Trust Fund, the amount of all net
9 proceeds accruing during the preceding calendar quarter.

10 Expenditures from the fund shall be made upon warrants issued by the
11 State Treasurer against claims filed as prescribed by law with the
12 Director of the Office of Management and Enterprise Services for
13 approval and payment.

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

1 F. ~~Monies~~ Until June 30, 2021, monies in the Oklahoma Education
2 Lottery Trust Fund deposited pursuant to subsection B of this
3 section shall only be appropriated as follows:

4 1. Forty-five percent (45%) for the following:

- 5 a. kindergarten through twelfth grade public education,
6 including but not limited to compensation and benefits
7 for public school teachers and support employees, and
- 8 b. early childhood development programs, which shall
9 include but not be limited to costs associated with
10 prekindergarten and full-day kindergarten programs;

11 2. Forty-five percent (45%) for the following:

- 12 a. tuition grants, loans and scholarships to citizens of
13 this state to enable such citizens to attend colleges
14 and universities located within this state, regardless
15 of whether such colleges and universities are owned or
16 operated by the Oklahoma State Regents for Higher
17 Education, or to attend institutions operated under
18 the authority of the Oklahoma Department of Career and
19 Technology Education; provided such tuition grants,
20 loans and scholarships shall not be made to a citizen
21 of this state to attend a college or university which
22 is not accredited by the Oklahoma State Regents for
23 Higher Education,

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

1 and maintaining advanced electronic instructional
2 technology,

3 e. endowed chairs for professors at institutions of
4 higher education operated by The Oklahoma State System
5 of Higher Education, and

6 f. programs and personnel of the Oklahoma School for the
7 Deaf and the Oklahoma School for the Blind;

8 3. Five percent (5%) to the School Consolidation and Assistance
9 Fund. When the total amount in the School Consolidation and
10 Assistance Fund from all sources equals Five Million Dollars
11 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
12 which would otherwise be deposited in the School Consolidation and
13 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
14 shall be allocated by the State Department of Education to public
15 schools based on the audited end-of-year average daily membership in
16 grades ~~8~~ eight through ~~12~~ twelve during the preceding school year
17 for the purpose of purchasing technology equipment in order to
18 conduct ~~on-line~~ online testing as required by the Achieving
19 Classroom Excellence Act of 2005. If at any time the total amount
20 in the School Consolidation and Assistance Fund drops below Five
21 Million Dollars (\$5,000,000.00), the monies appropriated pursuant to
22 this paragraph shall be deposited in the School Consolidation and
23 Assistance Fund until the ~~Fund~~ fund again reaches Five Million
24 Dollars (\$5,000,000.00); and

1 4. Five percent (5%) to the Teachers' Retirement System

2 Dedicated Revenue Revolving Fund.

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

9 G. Beginning July 1, 2021, monies in the Oklahoma Education
10 Lottery Trust Fund deposited pursuant to subsection B of this
11 section shall 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 compensation and benefits
15 for public school teachers and support employees, and
16 b. early childhood development programs, which shall
17 include but not be limited to costs associated with
18 prekindergarten and full-day kindergarten programs;

19 2. Forty-five percent (45%) for the following:

- 20 a. the first Ten Million Dollars (\$10,000,000.00) shall
21 be appropriated to fund concurrent enrollment for
22 students in grades eleven and twelve, and
23 b. any monies remaining may be appropriated for:

- 1 (1) tuition grants, loans and scholarships to
2 citizens of this state to enable such citizens to
3 attend colleges and universities located within
4 this state, regardless of whether such colleges
5 and universities are owned or operated by the
6 Oklahoma State Regents for Higher Education, or
7 to attend institutions operated under the
8 authority of the Oklahoma Department of Career
9 and Technology Education; provided such tuition
10 grants, loans and scholarships shall not be made
11 to a citizen of this state to attend a college or
12 university which is not accredited by the
13 Oklahoma State Regents for Higher Education,
14 (2) construction of educational facilities for
15 elementary school districts, independent school
16 districts, The Oklahoma State System of Higher
17 Education and career and technology education,
18 (3) capital outlay projects for elementary school
19 districts, independent school districts, The
20 Oklahoma State System of Higher Education and
21 career and technology education,
22 (4) technology for public elementary school
23 districts, independent school districts, state
24 higher education and career and technology

education facilities, which shall include but not
be limited to costs of providing to teachers at
accredited public institutions who teach levels
kindergarten through twelfth grade, personnel at
technology centers under the authority of the
Oklahoma State Department of Career and
Technology Education and professors and
instructors within The Oklahoma State System of
Higher Education, the necessary training in the
use and application of computers and advanced
electronic instructional technology to implement
interactive learning environments in the
classroom and to access the statewide distance
learning network and costs associated with
repairing and maintaining advanced electronic
instructional technology,

(5) endowed chairs for professors at institutions of
higher education operated by The Oklahoma State
System of Higher Education, and

(6) programs and personnel of the Oklahoma School for
the Deaf and the Oklahoma School for the Blind;

3. Five percent (5%) to the School Consolidation and Assistance
Fund. When the total amount in the School Consolidation and
Assistance Fund from all sources equals Five Million Dollars

1 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
2 which would otherwise be deposited in the School Consolidation and
3 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
4 shall be allocated by the State Department of Education to public
5 schools based on the audited end-of-year average daily membership in
6 grades eight through twelve during the preceding school year for the
7 purpose of purchasing technology equipment in order to conduct
8 online testing as required by the Achieving Classroom Excellence Act
9 of 2005. If at any time the total amount in the School
10 Consolidation and Assistance Fund drops below Five Million Dollars
11 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
12 shall be deposited in the School Consolidation and Assistance Fund
13 until the fund again reaches Five Million Dollars (\$5,000,000.00);
14 and

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

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

23 H. The Legislature shall appropriate funds from the Oklahoma
24 Education Lottery Trust Fund only for the purposes specified in

1 ~~subsection~~ subsections F and G of this section and Section 2 of this
2 act. Even when funds from the trust fund are used for these
3 purposes, the Legislature shall not use funds from the trust fund to
4 supplant or replace other state funds supporting common education,
5 higher education, or career and technology education.

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

20 ~~I.~~ J. Except as otherwise provided by this subsection, no
21 deficiency in the Oklahoma Education Lottery Trust Fund shall be
22 replenished by reducing any nonlottery funds, including specifically
23 but without limitation, the General Revenue Fund, the Constitutional
24 Reserve Fund or the Education Reform Revolving Fund of the State

1 Department of Education. No program or project started specifically
2 from lottery proceeds shall be continued from the General Revenue
3 Fund, the Constitutional Reserve Fund or the Education Reform
4 Revolving Fund of the State Department of Education. Such programs
5 must be adjusted or discontinued according to available lottery
6 proceeds unless the Legislature by general law establishes
7 eligibility requirements and appropriates specific funds therefor.
8 No surplus in the Oklahoma Education Lottery Trust Fund shall be
9 reduced or transferred to correct any nonlottery deficiencies in
10 sums available for general appropriations. The provisions of this
11 subsection shall not apply to bonds or other obligations issued
12 pursuant to or to the repayment of bonds or other obligations issued
13 pursuant to the Oklahoma Higher Education Promise of Excellence Act
14 of 2005.

15 ~~F.~~ K. There is hereby created in the State Treasury a revolving
16 fund to be designated the "Oklahoma Education Lottery Revolving
17 Fund". The fund shall be a continuing fund, not subject to fiscal
18 year limitations, and shall consist of all monies received by the
19 Commission. The Commission shall make payments of net proceeds from
20 the fund to the Oklahoma Education Lottery Trust Fund on or before
21 the fifteenth day of each calendar quarter as provided in subsection
22 D of this section. All monies accruing to the credit of the
23 Oklahoma Education Lottery Revolving Fund are hereby appropriated
24 and may be budgeted and expended for the payment of net proceeds,

1 prizes, commissions to retailers, administrative expenses and all
2 other expenses arising out of the operation of the education
3 lottery, subject to the limitations provided in the Oklahoma
4 Education Lottery Act. Expenditures from the fund shall be made
5 upon warrants issued by the State Treasurer against claims filed as
6 prescribed by law with the Director of the Office of Management and
7 Enterprise Services for approval and payment.

8 The monies in the fund shall be invested by the State Treasurer
9 in accordance with state investment practices. All earnings
10 attributable to such investments shall likewise accrue to the credit
11 of the fund.

12 ~~K.~~ L. When appropriations from the Oklahoma Education Lottery
13 Trust Fund are made to common education pursuant to the provisions
14 of paragraph 1 of ~~subsection~~ subsections F and G of this section,
15 the appropriations shall be made available on a monthly basis. In
16 addition to the provisions of subsections D and E of this section,
17 the following process shall be used to ensure that the
18 appropriations are made available to common education in a timely
19 manner:

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

1 accruing during the preceding month equal to the amount of total
2 monthly collections due to common education as required by paragraph
3 1 of ~~subsection~~ subsections F and G of this section;

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

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

14 ~~L.~~ M. When appropriations from the Oklahoma Education Lottery
15 Trust Fund are made to The Oklahoma State System of Higher
16 Education, the appropriations shall be made available to the System
17 on a monthly basis. In addition to the provisions of subsections D
18 and E of this section, the following process shall be used to ensure
19 that the appropriations are made available to The Oklahoma State
20 System of Higher Education in a timely manner:

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

1 for credit to the Oklahoma Education Lottery Trust Fund, the amount
2 of net proceeds accruing during the preceding month equal to the
3 amount of total monthly collections due to the Oklahoma State
4 Regents for Higher Education as required by paragraph 2 of
5 ~~subsection~~ subsections F and G of this 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."

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