

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 612 By: Howard of the Senate
3 and
4 Osburn of the House
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7 An Act relating to the Oklahoma Lottery; amending 3A
8 O.S. 2021, Sections 712, 713, as amended by Section
9 1, Chapter 359, O.S.L. 2022, 724, and 733 (3A O.S.
10 Supp. 2022, Section 713), which relate to the
11 Oklahoma Lottery Commission, prize claims, and the
12 board of trustees; expanding required background
13 checks for certain applicants; requiring annual
14 background checks for Commission employees; deleting
15 Commission requirement to pay for certain
16 investigations and contract with the Oklahoma State
17 Bureau of Investigation; deleting requirement to
18 submit certain report; deleting requirement to
19 display certain certificate; modifying certain
20 information required for submission; modifying
21 required date for submission of certain information;
22 modifying threshold for certain information required
23 to claim prize; modifying information required to
24 claim certain prize; amending 51 O.S. 2021, Section
24A.5, which relates to the Oklahoma Open Records
Act; providing exception; repealing 3A O.S. 2021,
Sections 706 and 734, which relate to Lottery
Retailer Advisory Board and Oklahoma Lottery
Commission Legislative Oversight Committee; updating
statutory reference; and providing an effective date.

21 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill
22 and insert:
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1 "An Act relating to the Oklahoma Lottery; amending 3A
2 O.S. 2021, Sections 712, 713, as amended by Section
3 1, Chapter 359, O.S.L. 2022, 724, and 733 (3A O.S.
4 Supp. 2022, Section 713), which relate to the
5 Oklahoma Lottery Commission; expanding required
6 background checks for certain applicants; requiring
7 annual background checks for Commission employees;
8 deleting Commission requirement to pay for certain
9 investigations and contract with the Oklahoma State
10 Bureau of Investigation; deleting requirement to
11 display certain certificate; modifying certain
12 information required for submission; modifying
13 required date for submission of certain information;
14 modifying threshold for certain information required
15 to claim prize; modifying information required to
16 claim certain prize; amending 51 O.S. 2021, Section
17 24A.5, which relates to the Oklahoma Open Records
18 Act; providing exception; repealing 3A O.S. 2021,
19 Section 706, which relates to Lottery Retailer
20 Advisory Board and Oklahoma Lottery Commission
21 Legislative Oversight Committee; updating statutory
22 reference; and providing an effective date.
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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 3A O.S. 2021, Section 712, is
16 amended to read as follows:

17 Section 712. A. The executive director of the Oklahoma Lottery
18 Commission, with the approval of the board of trustees, shall employ
19 such personnel as may be necessary to carry out the provisions of
20 this act and shall set the compensation and terms of compensation of
21 such employees. All offices, positions, and personnel of the
22 Oklahoma Lottery Commission shall be in the unclassified service.
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1 B. No employee of the Commission shall have a financial
2 interest in any vendor doing business or proposing to do business
3 with the Commission.

4 C. No employee of the Commission shall participate in any
5 decision involving a retailer with whom the employee has a financial
6 interest.

7 D. No employee of the Commission who leaves the employment of
8 the Commission may represent any vendor or lottery retailer before
9 the Commission for a period of two (2) years following termination
10 of employment with the Commission.

11 E. A background investigation shall be conducted on each
12 applicant who has reached the final selection process prior to
13 employment by the Commission ~~at the level of division director and~~
14 ~~above and at any level within any division of security and as~~
15 ~~otherwise required by the board of trustees of the Oklahoma Lottery~~
16 ~~Commission. The Commission shall pay for the actual cost of the~~
17 ~~investigations and shall contract with the Oklahoma State Bureau of~~
18 ~~Investigation for the performance of the investigations~~ and on every
19 employee of the Commission for each calendar year. The results of a
20 background investigation shall not be considered a record open to
21 the public pursuant to the Oklahoma Open Records Act.

22 F. No person who has been convicted of any felony or a
23 misdemeanor involving illegal gambling or involving moral turpitude
24 shall be employed by the Commission, nor shall the Commission employ

1 a person who is awaiting sentencing on a plea of guilt or nolo
2 contendere to such a felony or misdemeanor.

3 G. The Commission shall bond Commission employees with access
4 to Commission funds or lottery revenue in an amount specified by the
5 board and may bond other employees as deemed necessary.

6 SECTION 2. AMENDATORY 3A O.S. 2021, Section 713, as
7 amended by Section 1, Chapter 359, O.S.L. 2022 (3A O.S. Supp. 2022,
8 Section 713), is amended to read as follows:

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

18 ~~B. The Oklahoma Lottery Commission shall submit a written~~
19 ~~report of its findings and any recommendations regarding the impact~~
20 ~~of removing the requirement that net proceeds shall equal at least~~
21 ~~thirty-five percent (35%) of the gross proceeds. The report shall~~
22 ~~be submitted to the Governor, the Speaker of the Oklahoma House of~~
23 ~~Representatives and the President Pro Tempore of the Oklahoma State~~
24 ~~Senate not later than October 1, 2020, and annually thereafter.~~

1 ~~€.~~ 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 (1) kindergarten through twelfth grade public
2 education, including but not limited to
3 compensation and benefits for public school
4 teachers and support employees, and

5 (2) early childhood development programs, which shall
6 include but not be limited to costs associated
7 with prekindergarten and full-day kindergarten
8 programs,

9 b. forty-five percent (45%) for the following:

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

23 (2) construction of educational facilities for
24 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 to
14 the credit of the Teacher Empowerment Revolving Fund created in
15 Section 2 of this act.

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

23 ~~F.~~ E. In order to ensure that the funds from the trust fund are
24 used to enhance and not supplant funding for education, the State

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

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

1 No surplus in the Oklahoma Education Lottery Trust Fund shall be
2 reduced or transferred to correct any nonlottery deficiencies in
3 sums available for general appropriations. The provisions of this
4 subsection shall not apply to bonds or other obligations issued
5 pursuant to or to the repayment of bonds or other obligations issued
6 pursuant to the Oklahoma Higher Education Promise of Excellence Act
7 of 2005.

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

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

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

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

21 2. The Director of the Office of Management and Enterprise
22 Services shall allocate the transfers provided for in paragraph 1 of
23 this subsection to the State Department of Education on a monthly
24

1 basis, not to exceed one-twelfth (1/12) of the annual apportionment
2 for the fiscal year; and

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

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

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

24

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 Oklahoma State Regents for Higher Education
4 on a monthly basis, not to exceed one-twelfth (1/12) of the annual
5 apportionment 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 The
9 Oklahoma State System for Higher Education from the Oklahoma
10 Education Lottery Trust Fund for the specific fiscal year.

11 SECTION 3. AMENDATORY 3A O.S. 2021, Section 724, is
12 amended to read as follows:

13 Section 724. A. Proceeds of any lottery prize shall be subject
14 to the Oklahoma state income tax.

15 B. Attachments, garnishments, or executions authorized and
16 issued pursuant to law shall be withheld if timely served upon the
17 Oklahoma Lottery Commission. This subsection shall not apply to
18 payment of prizes by a retailer.

19 C. The Commission shall adopt policies and procedures to
20 establish a system of verifying the validity of tickets or shares
21 claimed to win prizes and to effect payment of the prizes, except
22 that:

23 1. No prize, any portion of a prize, or any right of any person
24 to a prize awarded shall be assignable. Any prize or any portion of

1 a prize remaining unpaid at the death of a prize winner shall be
2 paid to the estate of the deceased prize winner or to the trustee of
3 a trust established by the deceased prize winner as settlor if a
4 copy of the trust document or instrument has been filed with the
5 Commission along with a notarized letter of direction from the
6 settlor and no written notice of revocation has been received by the
7 Commission prior to the death of the settlor. Following the death
8 of a settlor and prior to any payment to a successor trustee, the
9 Commission shall obtain from the trustee a written agreement to
10 indemnify and hold the Commission harmless with respect to any
11 claims that may be asserted against the Commission arising from
12 payment to or through the trust. Notwithstanding any other
13 provisions of this section, any person, pursuant to an appropriate
14 judicial order, shall be paid the prize to which a winner is
15 entitled;

16 2. No prize shall be paid arising from claimed tickets that
17 are:

18 a. stolen, counterfeit, altered, fraudulent, unissued,
19 produced or issued in error, unreadable, not received,
20 or not recorded by the Commission within applicable
21 deadlines,

22 b. lacking in captions that conform and agree with the
23 play symbols as appropriate to the particular lottery
24 game involved, or

1 c. not in compliance with such additional public or
2 confidential validation and security tests of the
3 Commission appropriate to the particular lottery game
4 involved;

5 3. No particular prize in any lottery game shall be paid more
6 than once, and in the event of a determination that more than one
7 claimant is entitled to a particular prize, the sole remedy of the
8 claimants is the award to each of them of an equal share in the
9 prize;

10 4. A holder of a winning cash ticket or share from a lottery
11 game shall claim a cash prize within one hundred eighty (180) days,
12 or for a multistate or multisoovereign lottery game within one
13 hundred eighty (180) days, after the drawing in which the cash prize
14 was won. In any Oklahoma lottery game in which the player may
15 determine instantly if the player has won or lost, the player shall
16 claim a cash prize within ninety (90) days, or for a multistate
17 lottery game within one hundred eighty (180) days, after the end of
18 the lottery game. If a valid claim is not made for a cash prize
19 within the applicable period, the cash prize shall constitute an
20 unclaimed prize for purposes of the Oklahoma Education Lottery Act;

21 5. Any person or persons claiming a lottery prize exceeding Six
22 Hundred Dollars (\$600.00) shall provide the Commission with their
23 name, address, social security number or tax identification number,
24 and sufficient valid identification ~~as proof of the same~~ prior to

1 payment of the prize by the Commission. This information shall be
2 confidential for purposes of the Oklahoma Open Records Act, except
3 for the person's first name, city of residence, and prize amount;
4 and

5 6. Any person or persons claiming a lottery prize exceeding
6 Five Thousand Dollars (\$5,000.00) shall provide the Commission with
7 their name, address, social security number or tax identification
8 number, proof of social security number or tax identification
9 number, and sufficient valid identification prior to payment of the
10 prize by the Commission. This information shall be confidential for
11 purposes of the Oklahoma Open Records Act, except for the person's
12 first name, city of residence, and prize amount; and

13 7. Any person or persons claiming a lottery prize exceeding Six
14 Hundred Dollars (\$600.00) as a trust shall provide for each person
15 entitled to any portion of the prize their name, address, social
16 security number or tax identification number, proof of social
17 security number or tax identification number, and sufficient valid
18 identification ~~as proof of the same~~ and trust certifications prior
19 to payment of the prize by the Commission except that such
20 information specified in this paragraph shall be confidential and
21 not subject to the provisions of the Oklahoma Open Records Act.

22 D. No prize shall be paid upon a ticket or share purchased or
23 sold in violation of the Oklahoma Education Lottery Act. Any such
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1 prize shall constitute an unclaimed prize for purposes of the
2 Oklahoma Education Lottery Act.

3 E. The Commission is discharged of all liability upon payment
4 of a prize.

5 F. No ticket or share shall be purchased by and no prize shall
6 be paid to any member of the board of trustees of the Oklahoma
7 Lottery Commission, any officer or employee of the Commission, or to
8 any spouse, child, brother, sister, or parent residing as a member
9 of the same household in the principal place of residence of any
10 such person. No ticket or share shall be purchased by and no prize
11 shall be paid to any officer, employee, agent, or subcontractor of
12 any vendor or to any spouse, child, brother, sister, or parent
13 residing as a member of the same household in the principal place of
14 residence of any such person if the officer, employee, agent, or
15 subcontractor has access to confidential information which may
16 compromise the integrity of the lottery.

17 G. Unclaimed prize money shall not constitute net lottery
18 proceeds. The first Seven Hundred Fifty Thousand Dollars
19 (\$750,000.00) of unclaimed prize money accruing annually shall be
20 transferred to the Department of Mental Health and Substance Abuse
21 Services for the treatment of compulsive gambling disorder and
22 educational programs related to such disorder. All other unclaimed
23 prize money shall be added to the pool from which future prizes are
24 to be awarded or used for special prize promotions.

1 SECTION 4. AMENDATORY 3A O.S. 2021, Section 733, is
2 amended to read as follows:

3 Section 733. To ensure the financial integrity of the lottery,
4 the Oklahoma Lottery Commission through its board of trustees shall:

5 1. Submit ~~quarterly and~~ annual reports to the Governor, State
6 Auditor and Inspector, Oklahoma State Bureau of Investigation,
7 Attorney General, and the oversight committee created by Section 734
8 of this title, disclosing the total lottery revenues, prize
9 disbursements, operating expenses, and administrative expenses of
10 the Commission ~~during the reporting period~~. The annual report shall
11 additionally describe the organizational structure of the Commission
12 and summarize the functions performed by each organizational
13 division within the Commission;

14 2. Adopt a system of internal audits;

15 3. Maintain weekly or more frequent records of lottery
16 transactions, including the distribution of tickets or shares to
17 retailers, revenues received, claims for prizes, prizes paid, prizes
18 forfeited, and other financial transactions of the Commission;

19 4. Contract with a certified public accountant or firm for an
20 annual financial audit of the Commission. The certified public
21 accountant or firm shall have no financial interest in any vendor
22 with whom the Commission is under contract. The certified public
23 accountant or firm shall present an audit report not later than
24 seven (7) months after the end of the fiscal year. The certified

1 public accountant or firm shall evaluate the internal auditing
2 controls in effect during the audit period. The cost of this annual
3 financial audit shall be an operating expense of the Commission.
4 The State Auditor and Inspector may at any time conduct an audit of
5 any phase of the operations of the Commission at the expense of the
6 Commission and shall receive a copy of the annual independent
7 financial audit. A copy of any audit performed by the certified
8 public accountant or firm or the State Auditor and Inspector shall
9 be transmitted to the Governor, the President Pro Tempore of the
10 Senate, ~~and~~ the Speaker of the House of Representatives, the State
11 Auditor and Inspector, and the cochairs of the oversight committee
12 created in Section 734 of this title;

13 5. Submit to the Office of Management and Enterprise Services
14 and the State Auditor and Inspector by June 30 of each year a copy
15 of the annual operating budget for the Commission for the next
16 fiscal year. This annual operating budget shall be approved by the
17 board and be on such forms as prescribed by the Office of Management
18 and Enterprise Services; and

19 6. ~~For informational purposes only, submit~~ Submit to the Office
20 of Management and Enterprise Services ~~on September 1~~ by October 1 of
21 each year a proposed ~~operating budget for the Commission for the~~
22 ~~succeeding fiscal year. The budget proposal shall also be~~
23 ~~accompanied by an estimate of the net proceeds to be deposited into~~
24 the Oklahoma Education Lottery Trust Fund during the succeeding

1 fiscal year. The ~~budget~~ estimate shall be on such forms as
2 prescribed by the Office of Management and Enterprise Services.

3 SECTION 5. AMENDATORY 51 O.S. 2021, Section 24A.5, is
4 amended to read as follows:

5 Section 24A.5 All records of public bodies and public officials
6 shall be open to any person for inspection, copying, or mechanical
7 reproduction during regular business hours; provided:

8 1. The Oklahoma Open Records Act, Sections 24A.1 through 24A.30
9 of this title, does not apply to records specifically required by
10 law to be kept confidential including:

- 11 a. records protected by a state evidentiary privilege
12 such as the attorney-client privilege, the work
13 product immunity from discovery and the identity of
14 informer privileges,
- 15 b. records of what transpired during meetings of a public
16 body lawfully closed to the public such as executive
17 sessions authorized under the Oklahoma Open Meeting
18 Act,
- 19 c. personal information within driver records as defined
20 by the Driver's Privacy Protection Act, 18 United
21 States Code, Sections 2721 through 2725,
- 22 d. information in the files of the Board of Medicolegal
23 Investigations obtained pursuant to Sections 940 and
24 941 of Title 63 of the Oklahoma Statutes that may be

1 hearsay, preliminary unsubstantiated investigation-
2 related findings, or confidential medical information,
3 ~~or~~

4 e. any test forms, question banks and answer keys
5 developed for state licensure examinations, but
6 specifically excluding test preparation materials or
7 study guides, or

8 f. last names, addresses, social security numbers or tax
9 identification numbers, and proof of identification
10 submitted to the Oklahoma Lottery Commission by
11 persons claiming a lottery prize;

12 2. All Social Security numbers included in a record may be
13 confidential regardless of the person's status as a public employee
14 or private individual and may be redacted or deleted prior to
15 release of the record by the public body;

16 3. Any reasonably segregable portion of a record containing
17 exempt material shall be provided after deletion of the exempt
18 portions; provided however, the Department of Public Safety shall
19 not be required to assemble for the requesting person specific
20 information, in any format, from driving records relating to any
21 person whose name and date of birth or whose driver license number
22 is not furnished by the requesting person.

23 The Oklahoma State Bureau of Investigation shall not be required
24 to assemble for the requesting person any criminal history records

1 relating to persons whose names, dates of birth, and other
2 identifying information required by the Oklahoma State Bureau of
3 Investigation pursuant to administrative rule are not furnished by
4 the requesting person;

5 4. Any request for a record which contains individual records
6 of persons, and the cost of copying, reproducing or certifying each
7 individual record is otherwise prescribed by state law, the cost may
8 be assessed for each individual record, or portion thereof requested
9 as prescribed by state law. Otherwise, a public body may charge a
10 fee only for recovery of the reasonable, direct costs of record
11 copying, or mechanical reproduction. Notwithstanding any state or
12 local provision to the contrary, in no instance shall the record
13 copying fee exceed twenty-five cents (\$0.25) per page for records
14 having the dimensions of eight and one-half (8 1/2) by fourteen (14)
15 inches or smaller, or a maximum of One Dollar (\$1.00) per copied
16 page for a certified copy. However, if the request:

- 17 a. is solely for commercial purpose, or
- 18 b. would clearly cause excessive disruption of the
19 essential functions of the public body,

20 then the public body may charge a reasonable fee to recover the
21 direct cost of record search and copying; however, publication in a
22 newspaper or broadcast by news media for news purposes shall not
23 constitute a resale or use of a record for trade or commercial
24 purpose and charges for providing copies of electronic data to the

1 news media for a news purpose shall not exceed the direct cost of
2 making the copy. The fee charged by the Department of Public Safety
3 for a copy in a computerized format of a record of the Department
4 shall not exceed the direct cost of making the copy unless the fee
5 for the record is otherwise set by law.

6 Any public body establishing fees under this act shall post a
7 written schedule of the fees at its principal office and with the
8 county clerk.

9 In no case shall a search fee be charged when the release of
10 records is in the public interest, including, but not limited to,
11 release to the news media, scholars, authors and taxpayers seeking
12 to determine whether those entrusted with the affairs of the
13 government are honestly, faithfully, and competently performing
14 their duties as public servants.

15 The fees shall not be used for the purpose of discouraging
16 requests for information or as obstacles to disclosure of requested
17 information;

18 5. The land description tract index of all recorded instruments
19 concerning real property required to be kept by the county clerk of
20 any county shall be available for inspection or copying in
21 accordance with the provisions of the Oklahoma Open Records Act;
22 provided, however, the index shall not be copied or mechanically
23 reproduced for the purpose of sale of the information;

24

1 6. A public body must provide prompt, reasonable access to its
2 records but may establish reasonable procedures which protect the
3 integrity and organization of its records and to prevent excessive
4 disruptions of its essential functions. A delay in providing access
5 to records shall be limited solely to the time required for
6 preparing the requested documents and the avoidance of excessive
7 disruptions of the public body's essential functions. In no event
8 may production of a current request for records be unreasonably
9 delayed until after completion of a prior records request that will
10 take substantially longer than the current request. Any public body
11 which makes the requested records available on the Internet shall
12 meet the obligation of providing prompt, reasonable access to its
13 records as required by this paragraph; and

14 7. A public body shall designate certain persons who are
15 authorized to release records of the public body for inspection,
16 copying, or mechanical reproduction. At least one person shall be
17 available at all times to release records during the regular
18 business hours of the public body.

19 SECTION 6. REPEALER 3A O.S. 2021, Section 706, is hereby
20 repealed.

21 SECTION 7. This act shall become effective November 1, 2023."
22
23
24

1 Passed the House of Representatives the 26th day of April, 2023.

2
3
4 Presiding Officer of the House of
Representatives
5

6 Passed the Senate the ____ day of _____, 2023.

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9 Presiding Officer of the Senate
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1 ENGROSSED SENATE
2 BILL NO. 612

By: Howard of the Senate

and

Osburn of the House

3
4
5
6 An Act relating to the Oklahoma Lottery; amending 3A
7 O.S. 2021, Sections 712, 713, as amended by Section
8 1, Chapter 359, O.S.L. 2022, 724, and 733 (3A O.S.
9 Supp. 2022, Section 713), which relate to the
10 Oklahoma Lottery Commission, prize claims, and the
11 board of trustees; expanding required background
12 checks for certain applicants; requiring annual
13 background checks for Commission employees; deleting
14 Commission requirement to pay for certain
15 investigations and contract with the Oklahoma State
16 Bureau of Investigation; deleting requirement to
17 submit certain report; deleting requirement to
18 display certain certificate; modifying certain
19 information required for submission; modifying
20 required date for submission of certain information;
21 modifying threshold for certain information required
22 to claim prize; modifying information required to
23 claim certain prize; amending 51 O.S. 2021, Section
24 24A.5, which relates to the Oklahoma Open Records
Act; providing exception; repealing 3A O.S. 2021,
Sections 706 and 734, which relate to Lottery
Retailer Advisory Board and Oklahoma Lottery
Commission Legislative Oversight Committee; updating
statutory reference; and providing an effective date.

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

SECTION 8. AMENDATORY 3A O.S. 2021, Section 712, is
amended to read as follows:

Section 712. A. The executive director of the Oklahoma Lottery
Commission, with the approval of the board of trustees, shall employ

1 such personnel as may be necessary to carry out the provisions of
2 this act and shall set the compensation and terms of compensation of
3 such employees. All offices, positions, and personnel of the
4 Oklahoma Lottery Commission shall be in the unclassified service.

5 B. No employee of the Commission shall have a financial
6 interest in any vendor doing business or proposing to do business
7 with the Commission.

8 C. No employee of the Commission shall participate in any
9 decision involving a retailer with whom the employee has a financial
10 interest.

11 D. No employee of the Commission who leaves the employment of
12 the Commission may represent any vendor or lottery retailer before
13 the Commission for a period of two (2) years following termination
14 of employment with the Commission.

15 E. A background investigation shall be conducted on each
16 applicant who has reached the final selection process prior to
17 employment by the Commission ~~at the level of division director and~~
18 ~~above and at any level within any division of security and as~~
19 ~~otherwise required by the board of trustees of the Oklahoma Lottery~~
20 ~~Commission. The Commission shall pay for the actual cost of the~~
21 ~~investigations and shall contract with the Oklahoma State Bureau of~~
22 ~~Investigation for the performance of the investigations and on every~~
23 employee of the Commission for each calendar year. The results of
24

1 a background investigation shall not be considered a record open to
2 the public pursuant to the Oklahoma Open Records Act.

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

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

11 SECTION 9. AMENDATORY 3A O.S. 2021, Section 713, as
12 amended by Section 1, Chapter 359, O.S.L. 2022 (3A O.S. Supp. 2022,
13 Section 713), is amended to read as follows:

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

23 B. ~~The Oklahoma Lottery Commission shall submit a written~~
24 ~~report of its findings and any recommendations regarding the impact~~

1 ~~of removing the requirement that net proceeds shall equal at least~~
2 ~~thirty five percent (35%) of the gross proceeds. The report shall~~
3 ~~be submitted to the Governor, the Speaker of the Oklahoma House of~~
4 ~~Representatives and the President Pro Tempore of the Oklahoma State~~
5 ~~Senate not later than October 1, 2020, and annually thereafter.~~

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

17 ~~D.~~ C. Upon their deposit into the State Treasury, any monies
18 representing a deposit of net proceeds shall then become the
19 unencumbered property of this state, and neither the Commission nor
20 the board of trustees shall have the power to agree or undertake
21 otherwise. The monies shall be invested by the State Treasurer in
22 accordance with state investment practices. All earnings
23 attributable to such investments shall likewise be the unencumbered
24

1 property of the state and shall accrue to the credit of the fund
2 provided for in subsection € B of this section.

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

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

7 (1) kindergarten through twelfth grade public

8 education, including but not limited to

9 compensation and benefits for public school

10 teachers and support employees, and

11 (2) early childhood development programs, which shall

12 include but not be limited to costs associated

13 with prekindergarten and full-day kindergarten

14 programs,

15 b. forty-five percent (45%) for the following:

16 (1) tuition grants, loans and scholarships to

17 citizens of this state to enable such citizens to

18 attend colleges and universities located within

19 this state, regardless of whether such colleges

20 and universities are owned or operated by the

21 Oklahoma State Regents for Higher Education, or

22 to attend institutions operated under the

23 authority of the Oklahoma Department of Career

24 and Technology Education; provided, such tuition

1 grants, loans and scholarships shall not be made
2 to a citizen of this state to attend a college or
3 university which is not accredited by the
4 Oklahoma State Regents for Higher Education,

5 (2) construction of educational facilities for
6 elementary school districts, independent school
7 districts, The Oklahoma State System of Higher
8 Education, and career and technology education,

9 (3) capital outlay projects for elementary school
10 districts, independent school districts, The
11 Oklahoma State System of Higher Education, and
12 career and technology education,

13 (4) technology for public elementary school district,
14 independent school district, state higher
15 education, and career and technology education
16 facilities, which shall include but not be
17 limited to costs of providing to teachers at
18 accredited public institutions who teach levels
19 kindergarten through twelfth grade, personnel at
20 technology centers under the authority of the
21 Oklahoma State Department of Career and
22 Technology Education, and professors and
23 instructors within The Oklahoma State System of
24 Higher Education, the necessary training in the

1 use and application of computers and advanced
2 electronic instructional technology to implement
3 interactive learning environments in the
4 classroom and to access the statewide distance
5 learning network and costs associated with
6 repairing and maintaining advanced electronic
7 instructional technology,

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

11 (6) programs and personnel of the Oklahoma School for
12 the Deaf and the Oklahoma School for the Blind,

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

1 equipment. If at any time the total amount in the
2 School Consolidation and Assistance Fund drops below
3 Five Million Dollars (\$5,000,000.00), the monies
4 appropriated pursuant to this subparagraph shall be
5 deposited in the School Consolidation and Assistance
6 Fund until the Fund again reaches Five Million Dollars
7 (\$5,000,000.00), and

- 8 d. five percent (5%) to the Teachers' Retirement System
9 Dedicated Revenue Revolving Fund.

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

16 2. The remaining portion of lottery annual net proceeds
17 deposited to the Oklahoma Education Lottery Trust Fund that exceeds
18 Sixty-five Million Dollars (\$65,000,000.00) shall be deposited to
19 the credit of the Teacher Empowerment Revolving Fund created in
20 Section 2 of this act.

21 ~~E.~~ D. The Legislature shall appropriate funds from the Oklahoma
22 Education Lottery Trust Fund only for the purposes specified in
23 subsection ~~D~~ C of this section. Even when funds from the trust fund
24 are used for these purposes, the Legislature shall not use funds

1 from the trust fund to supplant or replace other state funds
2 supporting common education, higher education, or career and
3 technology education.

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

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

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

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

1 lottery, subject to the limitations provided in the Oklahoma
2 Education Lottery Act. Expenditures from the fund shall be made
3 upon warrants issued by the State Treasurer against claims filed as
4 prescribed by law with the Director of the Office of Management and
5 Enterprise Services for approval and payment.

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

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

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

1 monthly collections due to common education as required by
2 subparagraph a of paragraph 1 of subsection ~~D~~ C of this section;

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

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

13 ~~F~~ I. When appropriations from the Oklahoma Education Lottery
14 Trust Fund are made to The Oklahoma State System of Higher
15 Education, the appropriations shall be made available to the System
16 on a monthly basis. In addition to the provisions of subsections ~~E~~
17 B and ~~D~~ C of this section, the following process shall be used to
18 ensure that the appropriations are made available to The Oklahoma
19 State System of Higher Education in a 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 due to the Oklahoma State
3 Regents for Higher Education as required by subparagraph b of
4 paragraph 1 of subsection ~~D~~ C of this section;

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

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

15 SECTION 10. AMENDATORY 3A O.S. 2021, Section 724, is
16 amended to read as follows:

17 Section 724. A. Proceeds of any lottery prize shall be subject
18 to the Oklahoma state income tax.

19 B. Attachments, garnishments, or executions authorized and
20 issued pursuant to law shall be withheld if timely served upon the
21 Oklahoma Lottery Commission. This subsection shall not apply to
22 payment of prizes by a retailer.

23 C. The Commission shall adopt policies and procedures to
24 establish a system of verifying the validity of tickets or shares

1 claimed to win prizes and to effect payment of the prizes, except
2 that:

3 1. No prize, any portion of a prize, or any right of any person
4 to a prize awarded shall be assignable. Any prize or any portion of
5 a prize remaining unpaid at the death of a prize winner shall be
6 paid to the estate of the deceased prize winner or to the trustee of
7 a trust established by the deceased prize winner as settlor if a
8 copy of the trust document or instrument has been filed with the
9 Commission along with a notarized letter of direction from the
10 settlor and no written notice of revocation has been received by the
11 Commission prior to the death of the settlor. Following the death
12 of a settlor and prior to any payment to a successor trustee, the
13 Commission shall obtain from the trustee a written agreement to
14 indemnify and hold the Commission harmless with respect to any
15 claims that may be asserted against the Commission arising from
16 payment to or through the trust. Notwithstanding any other
17 provisions of this section, any person, pursuant to an appropriate
18 judicial order, shall be paid the prize to which a winner is
19 entitled;

20 2. No prize shall be paid arising from claimed tickets that
21 are:

22 a. stolen, counterfeit, altered, fraudulent, unissued,
23 produced or issued in error, unreadable, not received,
24

1 or not recorded by the Commission within applicable
2 deadlines,

3 b. lacking in captions that conform and agree with the
4 play symbols as appropriate to the particular lottery
5 game involved, or

6 c. not in compliance with such additional public or
7 confidential validation and security tests of the
8 Commission appropriate to the particular lottery game
9 involved;

10 3. No particular prize in any lottery game shall be paid more
11 than once, and in the event of a determination that more than one
12 claimant is entitled to a particular prize, the sole remedy of the
13 claimants is the award to each of them of an equal share in the
14 prize;

15 4. A holder of a winning cash ticket or share from a lottery
16 game shall claim a cash prize within one hundred eighty (180) days,
17 or for a multistate or multisoovereign lottery game within one
18 hundred eighty (180) days, after the drawing in which the cash prize
19 was won. In any Oklahoma lottery game in which the player may
20 determine instantly if the player has won or lost, the player shall
21 claim a cash prize within ninety (90) days, or for a multistate
22 lottery game within one hundred eighty (180) days, after the end of
23 the lottery game. If a valid claim is not made for a cash prize
24

1 within the applicable period, the cash prize shall constitute an
2 unclaimed prize for purposes of the Oklahoma Education Lottery Act;

3 5. Any person or persons claiming a lottery prize exceeding Six
4 Hundred Dollars (\$600.00) shall provide the Commission with their
5 name, address, social security number or tax identification number,
6 and sufficient valid identification ~~as proof of the same~~ prior to
7 payment of the prize by the Commission. This information shall be
8 confidential for purposes of the Oklahoma Open Records Act, except
9 for the person's first name, city of residence, and prize amount;
10 and

11 6. Any person or persons claiming a lottery prize exceeding
12 Five Thousand Dollars (\$5,000.00) shall provide the Commission with
13 their name, address, social security number or tax identification
14 number, proof of social security number or tax identification
15 number, and sufficient valid identification prior to payment of the
16 prize by the Commission. This information shall be confidential for
17 purposes of the Oklahoma Open Records Act, except for the person's
18 first name, city of residence, and prize amount; and

19 7. Any person or persons claiming a lottery prize exceeding Six
20 Hundred Dollars (\$600.00) as a trust shall provide for each person
21 entitled to any portion of the prize their name, address, social
22 security number or tax identification number, proof of social
23 security number or tax identification number, and sufficient valid
24 identification ~~as proof of the same~~ and trust certifications prior

1 to payment of the prize by the Commission except that such
2 information specified in this paragraph shall be confidential and
3 not subject to the provisions of the Oklahoma Open Records Act.

4 D. No prize shall be paid upon a ticket or share purchased or
5 sold in violation of the Oklahoma Education Lottery Act. Any such
6 prize shall constitute an unclaimed prize for purposes of the
7 Oklahoma Education Lottery Act.

8 E. The Commission is discharged of all liability upon payment
9 of a prize.

10 F. No ticket or share shall be purchased by and no prize shall
11 be paid to any member of the board of trustees of the Oklahoma
12 Lottery Commission, any officer or employee of the Commission, or to
13 any spouse, child, brother, sister, or parent residing as a member
14 of the same household in the principal place of residence of any
15 such person. No ticket or share shall be purchased by and no prize
16 shall be paid to any officer, employee, agent, or subcontractor of
17 any vendor or to any spouse, child, brother, sister, or parent
18 residing as a member of the same household in the principal place of
19 residence of any such person if the officer, employee, agent, or
20 subcontractor has access to confidential information which may
21 compromise the integrity of the lottery.

22 G. Unclaimed prize money shall not constitute net lottery
23 proceeds. The first Seven Hundred Fifty Thousand Dollars
24 (\$750,000.00) of unclaimed prize money accruing annually shall be

1 transferred to the Department of Mental Health and Substance Abuse
2 Services for the treatment of compulsive gambling disorder and
3 educational programs related to such disorder. All other unclaimed
4 prize money shall be added to the pool from which future prizes are
5 to be awarded or used for special prize promotions.

6 SECTION 11. AMENDATORY 3A O.S. 2021, Section 733, is
7 amended to read as follows:

8 Section 733. To ensure the financial integrity of the lottery,
9 the Oklahoma Lottery Commission through its board of trustees shall:

10 1. Submit ~~quarterly and~~ annual reports to the Governor, State
11 Auditor and Inspector, Oklahoma State Bureau of Investigation, and
12 Attorney General, ~~and the oversight committee created by Section 734~~
13 ~~of this title,~~ disclosing the total lottery revenues, prize
14 disbursements, operating expenses, and administrative expenses of
15 the Commission ~~during the reporting period.~~ The annual report shall
16 additionally describe the organizational structure of the Commission
17 and summarize the functions performed by each organizational
18 division within the Commission;

19 2. Adopt a system of internal audits;

20 3. Maintain weekly or more frequent records of lottery
21 transactions, including the distribution of tickets or shares to
22 retailers, revenues received, claims for prizes, prizes paid, prizes
23 forfeited, and other financial transactions of the Commission;

24

1 4. Contract with a certified public accountant or firm for an
2 annual financial audit of the Commission. The certified public
3 accountant or firm shall have no financial interest in any vendor
4 with whom the Commission is under contract. The certified public
5 accountant or firm shall present an audit report not later than
6 seven (7) months after the end of the fiscal year. The certified
7 public accountant or firm shall evaluate the internal auditing
8 controls in effect during the audit period. The cost of this annual
9 financial audit shall be an operating expense of the Commission.
10 The State Auditor and Inspector may at any time conduct an audit of
11 any phase of the operations of the Commission at the expense of the
12 Commission and shall receive a copy of the annual independent
13 financial audit. A copy of any audit performed by the certified
14 public accountant or firm or the State Auditor and Inspector shall
15 be transmitted to the Governor, the President Pro Tempore of the
16 Senate, and the Speaker of the House of Representatives, and the
17 State Auditor and Inspector, ~~and the cochairs of the oversight~~
18 ~~committee created in Section 734 of this title;~~

19 5. Submit to the Office of Management and Enterprise Services
20 and the State Auditor and Inspector by June 30 of each year a copy
21 of the annual operating budget for the Commission for the next
22 fiscal year. This annual operating budget shall be approved by the
23 board and be on such forms as prescribed by the Office of Management
24 and Enterprise Services; and

1 6. ~~For informational purposes only, submit~~ Submit to the Office
2 of Management and Enterprise Services ~~on September 1~~ by October 1 of
3 each year a proposed ~~operating budget for the Commission for the~~
4 ~~succeeding fiscal year. The budget proposal shall also be~~
5 ~~accompanied by an~~ estimate of the net proceeds to be deposited into
6 the Oklahoma Education Lottery Trust Fund during the succeeding
7 fiscal year. The ~~budget~~ estimate shall be on such forms as
8 prescribed by the Office of Management and Enterprise Services.

9 SECTION 12. AMENDATORY 51 O.S. 2021, Section 24A.5, is
10 amended to read as follows:

11 Section 24A.5. All records of public bodies and public
12 officials shall be open to any person for inspection, copying, or
13 mechanical reproduction during regular business hours; provided:

14 1. The Oklahoma Open Records Act, Sections 24A.1 through 24A.30
15 of this title, does not apply to records specifically required by
16 law to be kept confidential including:

17 a. records protected by a state evidentiary privilege
18 such as the attorney-client privilege, the work
19 product immunity from discovery and the identity of
20 informer privileges,

21 b. records of what transpired during meetings of a public
22 body lawfully closed to the public such as executive
23 sessions authorized under the Oklahoma Open Meeting
24 Act,

1 c. personal information within driver records as defined
2 by the Driver's Privacy Protection Act, 18 United
3 States Code, Sections 2721 through 2725,

4 d. information in the files of the Board of Medicolegal
5 Investigations obtained pursuant to Sections 940 and
6 941 of Title 63 of the Oklahoma Statutes that may be
7 hearsay, preliminary unsubstantiated investigation-
8 related findings, or confidential medical information,
9 ~~or~~

10 e. any test forms, question banks and answer keys
11 developed for state licensure examinations, but
12 specifically excluding test preparation materials or
13 study guides, or

14 f. last names, addresses, social security numbers or tax
15 identification numbers, and proof of identification
16 submitted to the Oklahoma Lottery Commission by
17 persons claiming a lottery prize;

18 2. All Social Security numbers included in a record may be
19 confidential regardless of the person's status as a public employee
20 or private individual and may be redacted or deleted prior to
21 release of the record by the public body;

22 3. Any reasonably segregable portion of a record containing
23 exempt material shall be provided after deletion of the exempt
24 portions; provided however, the Department of Public Safety shall

1 not be required to assemble for the requesting person specific
2 information, in any format, from driving records relating to any
3 person whose name and date of birth or whose driver license number
4 is not furnished by the requesting person.

5 The Oklahoma State Bureau of Investigation shall not be required
6 to assemble for the requesting person any criminal history records
7 relating to persons whose names, dates of birth, and other
8 identifying information required by the Oklahoma State Bureau of
9 Investigation pursuant to administrative rule are not furnished by
10 the requesting person;

11 4. Any request for a record which contains individual records
12 of persons, and the cost of copying, reproducing or certifying each
13 individual record is otherwise prescribed by state law, the cost may
14 be assessed for each individual record, or portion thereof requested
15 as prescribed by state law. Otherwise, a public body may charge a
16 fee only for recovery of the reasonable, direct costs of record
17 copying, or mechanical reproduction. Notwithstanding any state or
18 local provision to the contrary, in no instance shall the record
19 copying fee exceed twenty-five cents (\$0.25) per page for records
20 having the dimensions of eight and one-half (8 1/2) by fourteen (14)
21 inches or smaller, or a maximum of One Dollar (\$1.00) per copied
22 page for a certified copy. However, if the request:

23 a. is solely for commercial purpose, or
24

1 b. would clearly cause excessive disruption of the
2 essential functions of the public body,
3 then the public body may charge a reasonable fee to recover the
4 direct cost of record search and copying; however, publication in a
5 newspaper or broadcast by news media for news purposes shall not
6 constitute a resale or use of a record for trade or commercial
7 purpose and charges for providing copies of electronic data to the
8 news media for a news purpose shall not exceed the direct cost of
9 making the copy. The fee charged by the Department of Public Safety
10 for a copy in a computerized format of a record of the Department
11 shall not exceed the direct cost of making the copy unless the fee
12 for the record is otherwise set by law.

13 Any public body establishing fees under this act shall post a
14 written schedule of the fees at its principal office and with the
15 county clerk.

16 In no case shall a search fee be charged when the release of
17 records is in the public interest, including, but not limited to,
18 release to the news media, scholars, authors and taxpayers seeking
19 to determine whether those entrusted with the affairs of the
20 government are honestly, faithfully, and competently performing
21 their duties as public servants.

22 The fees shall not be used for the purpose of discouraging
23 requests for information or as obstacles to disclosure of requested
24 information;

1 5. The land description tract index of all recorded instruments
2 concerning real property required to be kept by the county clerk of
3 any county shall be available for inspection or copying in
4 accordance with the provisions of the Oklahoma Open Records Act;
5 provided, however, the index shall not be copied or mechanically
6 reproduced for the purpose of sale of the information;

7 6. A public body must provide prompt, reasonable access to its
8 records but may establish reasonable procedures which protect the
9 integrity and organization of its records and to prevent excessive
10 disruptions of its essential functions. A delay in providing access
11 to records shall be limited solely to the time required for
12 preparing the requested documents and the avoidance of excessive
13 disruptions of the public body's essential functions. In no event
14 may production of a current request for records be unreasonably
15 delayed until after completion of a prior records request that will
16 take substantially longer than the current request. Any public body
17 which makes the requested records available on the Internet shall
18 meet the obligation of providing prompt, reasonable access to its
19 records as required by this paragraph; and

20 7. A public body shall designate certain persons who are
21 authorized to release records of the public body for inspection,
22 copying, or mechanical reproduction. At least one person shall be
23 available at all times to release records during the regular
24 business hours of the public body.

