

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 1432 By: Howard of the Senate  
3 and  
4 Kannady of the House  
5

6  
7 An Act relating to Oklahoma Education Lottery Act;  
8 amending 3A O.S. 2021, Section 703, which relates to  
9 definitions; modifying definitions; amending 3A O.S.  
10 2021, Section 705, which relates to the board of  
11 trustees; removing provisions for initial membership;  
12 amending 3A O.S. 2021, Section 711, which relates to  
13 the executive director; modifying reporting  
14 frequency; amending 3A O.S. 2021, Section 712, as  
15 amended by Section 1, Chapter 332, O.S.L. 2023 (3A  
16 O.S. Supp. 2023, Section 712), which relates to  
17 employees of the Oklahoma Lottery Commission;  
18 removing prohibition of employee from certain  
19 employment following termination; updating statutory  
20 language; amending 3A O.S. 2021, Section 713, as last  
21 amended by Section 2, Chapter 332, O.S.L. 2023 (3A  
22 O.S. Supp. 2023, Section 713), which relates to the  
23 Oklahoma Education Lottery Trust Fund; removing  
24 method of transfer of certain funds; modifying  
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.

23 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill  
24 and insert:

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

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

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

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

1. "Administrative expenses" means operating expenses,  
excluding amounts set aside for prizes, regardless of whether such

1 prizes are claimed ~~and excluding amounts deposited to the Fidelity~~  
2 ~~Revolving Fund pursuant to Section 20 of this act;~~

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

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

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

16 5. "Educational facilities" means land, structures, and  
17 buildings owned or operated by and through the Oklahoma State  
18 Regents for Higher Education, the State Board of Education, the  
19 Oklahoma Department of Career and Technology Education, or by any  
20 school district within this state. A public road or highway leading  
21 to an educational facility shall not be considered an educational  
22 facility;

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

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

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

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

19       10. "Major procurement contract" means any gaming product or  
20 service costing in excess of Twenty-five Thousand Dollars  
21 (\$25,000.00), including, but not limited to, major advertising  
22 contracts, annuity contracts, prize payment agreements, consulting  
23 services, equipment, tickets, and other products and services unique  
24 to the Oklahoma lottery, but not including materials, supplies,

1 equipment, and services common to the ordinary operations of the  
2 Commission;

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

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

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

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

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

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

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

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

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

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

3 20. "Share" means any intangible evidence of participation in a  
4 lottery game;

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

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

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

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

21 B. Members shall be residents of the State of Oklahoma, shall  
22 be prominent persons in their businesses or professions, and shall  
23 not have been convicted of any felony offense, and shall not be  
24 awaiting sentencing on a plea of guilt or nolo contendere to a

1 felony offense. At least one member of the board shall be engaged  
2 in the practice of law, at least one member shall be engaged in the  
3 practice of accounting, and at least one member shall have expertise  
4 in marketing.

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

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

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

21 F. The members shall elect from their membership a chair, vice-  
22 chair, secretary, and treasurer. Such officers shall serve for such  
23 terms as shall be prescribed by the rules of the Commission or until  
24 their respective successors are elected and qualified. No member of



1 the board shall hold more than any one office of the Commission at  
2 the same time, except that the same person may serve as secretary  
3 and treasurer.

4 G. The board of trustees shall employ an executive director of  
5 the Commission.

6 H. A majority of members in office shall constitute a quorum  
7 for the transaction of any business and for the exercise of any  
8 power or function of the Commission.

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

13 J. No vacancy in the membership of the board shall impair the  
14 right of the members to exercise all the powers and perform all the  
15 duties of the board.

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

18 Section 711. A. The executive director of the Oklahoma Lottery  
19 Commission shall direct and supervise all administrative and  
20 technical activities in accordance with the provisions of the  
21 Oklahoma Education Lottery Act and with the rules promulgated by the  
22 board of trustees of the Oklahoma Lottery Commission. It shall be  
23 the duty of the executive director to:

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- 1        1. Facilitate the initiation of and supervise and administer  
2 the operation of the lottery games;
  - 3        2. Employ by contract and compensate such persons and firms as  
4 deemed necessary;
  - 5        3. Promote or provide for promotion of the lottery and any  
6 functions related to the Commission;
  - 7        4. Prepare a budget for the approval of the board;
  - 8        5. Require bond from such retailers and vendors in such amounts  
9 as required by the board;
  - 10       6. Report ~~quarterly~~ annually to the State Auditor and Inspector  
11 and the board a full and complete statement of lottery revenues and  
12 expenses for the preceding ~~quarter~~ fiscal year; and
  - 13       7. Perform other duties generally associated with an executive  
14 director or a chief executive officer of a state lottery.
- 15       B. In accordance with the provisions of the Oklahoma Education  
16 Lottery Act or the rules of the board, the executive director may  
17 for good cause suspend, revoke, or refuse to renew any contract  
18 entered into.
- 19       C. The executive director or designee may conduct hearings and  
20 administer oaths to persons for the purpose of assuring the security  
21 or integrity of lottery operations or to determine the  
22 qualifications of or compliance by vendors and retailers.

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

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

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

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

17 D. No employee of the Commission who leaves the employment of  
18 the Commission may represent any vendor or lottery retailer before  
19 the Commission for a period of ~~two (2) years~~ one (1) year following  
20 termination of employment with the Commission. Provided, however,  
21 that nothing in this subsection shall be construed as prohibiting an  
22 individual who has terminated employment with the Commission from  
23 working for a vendor or lottery retailer.

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1 E. A background investigation shall be conducted on each  
2 applicant who has reached the final selection process prior to  
3 employment by the Commission and on every employee of the Commission  
4 for each calendar year. The results of a background investigation  
5 shall not be considered a record open to the public pursuant to the  
6 Oklahoma Open Records Act.

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

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

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

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

1 of tickets or shares shall be determined by the Commission in  
2 setting the terms of its lottery or lotteries.

3 B. 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 G and H of this section, on or~~  
6 ~~before the fifteenth day of each calendar quarter, the Commission~~  
7 ~~shall transfer to the State Treasurer, for credit to the Oklahoma~~  
8 ~~Education Lottery Trust Fund, the amount of all net proceeds~~  
9 ~~accruing during the preceding calendar quarter.~~ Expenditures from  
10 the fund shall be made upon warrants issued by the State Treasurer  
11 against claims filed as prescribed by law with the Director of the  
12 Office of Management and Enterprise Services for approval and  
13 payment.

14 C. 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 fund  
22 provided for in subsection B of this section.

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

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

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

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

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

1 university which is not accredited by the  
2 Oklahoma State Regents for Higher Education,

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

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

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

1 interactive learning environments in the  
2 classroom and to access the statewide distance  
3 learning network and costs associated with  
4 repairing and maintaining advanced electronic  
5 instructional technology,

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

9 (6) programs and personnel of the Oklahoma School for  
10 the Deaf and the Oklahoma School for the Blind,

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



1 Five Million Dollars (\$5,000,000.00), the monies  
2 appropriated pursuant to this subparagraph shall be  
3 deposited in the School Consolidation ~~and~~ Assistance  
4 Fund until the Fund again reaches Five Million Dollars  
5 (\$5,000,000.00), and

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

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

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

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

1 supporting common education, higher education, or career and  
2 technology education.

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

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

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

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

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

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

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

17 1. Beginning in July of the fiscal year in which appropriations  
18 are made to common education from the Oklahoma Education Lottery  
19 Trust Fund, the Commission, on or before the ninth day of each  
20 month, shall transfer to the State Treasurer, for credit to the  
21 Oklahoma Education Lottery Trust Fund, ~~the amount of net proceeds~~  
22 ~~accruing during the preceding month equal to the amount of total~~  
23 ~~monthly collections~~ one-twelfth (1/12) of the annual apportionment  
24

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

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

1 the ninth day of each month, shall transfer to the State Treasurer,  
2 for credit to the Oklahoma Education Lottery Trust Fund, ~~the amount~~  
3 ~~of net proceeds accruing during the preceding month equal to the~~  
4 ~~amount of total monthly collections~~ one-twelfth (1/12) of the annual  
5 apportionment due to the Oklahoma State Regents for Higher Education  
6 as required by subparagraph b of paragraph 1 of subsection C of this  
7 section;

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

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

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

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

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

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

22 K. When appropriations from the Oklahoma Education Lottery  
23 Trust Fund are made to the School Consolidation Assistance Fund and  
24 Teachers' Retirement System Dedicated Revenue Revolving Fund,

1 pursuant to the provisions of subparagraphs c and d of paragraph 1  
2 of subsection C of this section, the appropriations shall be made  
3 available on an annual basis. The following process shall be used  
4 to ensure that the appropriations to the Oklahoma Education Lottery  
5 Trust Fund are made available to the School Consolidation Assistance  
6 Fund and Teachers' Retirement System Dedicated Revenue Revolving  
7 Fund in a timely manner:

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

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

24



1       3. The total amount of transfers to the Oklahoma Education  
2 Lottery Trust Fund of net lottery proceeds made pursuant to this  
3 subsection shall not exceed the total appropriations made to the  
4 School Consolidation Assistance Fund and the Teachers' Retirement  
5 System Dedicated Revenue Revolving Fund from the Oklahoma Education  
6 Lottery Trust Fund for the specific fiscal year.

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

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

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

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

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

3 SECTION 8. This act shall become effective July 1, 2024.

4 SECTION 9. It being immediately necessary for the preservation  
5 of the public peace, health or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval."

8 Passed the House of Representatives the 22nd day of April, 2024.

9

10

11

\_\_\_\_\_  
Presiding Officer of the House of  
Representatives

12

13

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2024.

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\_\_\_\_\_  
Presiding Officer of the Senate

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24

1 ENGROSSED SENATE  
2 BILL NO. 1432

By: Howard of the Senate

and

Kannady of the House

3  
4  
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.

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

SECTION 10. AMENDATORY 3A O.S. 2021, Section 703, is  
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 11. 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.

24



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 12. 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

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

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

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

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

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

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

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

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

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

22 C. The executive director or designee may conduct hearings and  
23 administer oaths to persons for the purpose of assuring the security  
24

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

3 SECTION 13. 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 14. AMENDATORY 3A O.S. 2021, Section 713, as  
14 last amended by Section 2, Chapter 332, O.S.L. 2023 (3A O.S. Supp.  
15 2023, 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 (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~~  
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;

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 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

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

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

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

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

20 SECTION 15. REPEALER 3A O.S. 2021, Section 719, is  
21 hereby repealed.

22 SECTION 16. REPEALER 3A O.S. 2021, Section 732, is  
23 hereby repealed.

24 SECTION 17. This act shall become effective November 1, 2024.

