

# House Bill 2167

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Human Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes biennial goal for amount of net proceeds raised from lottery games for purposes of creating jobs, furthering economic development, financing public education in Oregon and restoring and protecting parks, beaches, watersheds and native fish and wildlife.

Caps amount of net proceeds of Oregon State Lottery that can be spent without approval of supermajority vote of chambers of Legislative Assembly.

Establishes Oregon Rainy Day Lottery Fund.

## A BILL FOR AN ACT

1  
2 Relating to the Oregon State Lottery; creating new provisions; and amending ORS 461.200, 461.510  
3 and 461.540.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 461.200 is amended to read:

6 461.200. (1) [*Within 105 days after the confirmation by the Senate of the Director of the Oregon*  
7 *State Lottery and at least three commissioners, the director shall begin public sales of tickets or*  
8 *shares.*] The Oregon State Lottery shall be initiated and shall continue to be operated [*so as to*  
9 *produce the maximum amount of net revenues to benefit the public purpose described in section 4, Ar-*  
10 *ticle XV of the Constitution of the State of Oregon, commensurate with the public good.*] **with the in-**  
11 **tention to produce net proceeds in each biennium for the public purposes described in Article**  
12 **XV, section 4, of the Oregon Constitution, in an amount equal to the amount of net proceeds**  
13 **produced in the biennium beginning July 1, 2011.**

14 **(2) Computer terminals and devices utilized by lottery games:**

15 **(a) May sell, dispense or return tickets or shares directly to members of the public; and**

16 **(b) May not sell, dispense or return coins or currency directly to members of the public.**

17 **(3) Other state government departments, boards, commissions, agencies and their officers shall**  
18 **cooperate with the Oregon State Lottery Commission so as to aid the lottery commission in [ful-**  
19 **filling these objectives] implementing this section.**

20 **SECTION 2.** ORS 461.510 is amended to read:

21 461.510. (1) All money payable to the **Oregon State Lottery** Commission shall be deposited in  
22 a fund known as the State Lottery Fund. The State Lottery Fund shall receive all proceeds from the  
23 sale of lottery tickets or shares, the temporary loan for initial start-up costs and all other moneys  
24 credited to the Oregon State Lottery from any other lottery-related source. The State Lottery Fund  
25 is continuously appropriated **to the Director of the Oregon State Lottery** for the purpose of ad-  
26 ministering and operating the commission and the state lottery.

27 **(2) Disbursements shall be made from the State Lottery Fund for any of the following purposes:**

28 **(a) The payment of prizes to the holders of valid winning lottery tickets or shares;**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) Expenses of the commission and the state lottery;

2 (c) Repayment of any funds advanced from the temporary loan for initial start-up costs and the  
3 interest on any such funds advanced; and

4 (d) Transfer of funds from the State Lottery Fund to the benefit of the public [*purpose described*  
5 *in section 4, Article XV of the Constitution of the State of Oregon.*] **purposes described in Article**  
6 **XV, section 4, of the Oregon Constitution, as follows:**

7 (A) **Eighteen percent of the net proceeds of the state lottery must be transferred, as**  
8 **required by Article XV, sections 4 (4)(d) and (5), of the Oregon Constitution, to:**

9 (i) **The Education Stability Fund established under ORS 348.696 pursuant to Article XV,**  
10 **section 4, of the Oregon Constitution; and**

11 (ii) **The School Capital Matching Fund established under ORS 286A.806 pursuant to Arti-**  
12 **cle XI-P, section 4, of the Oregon Constitution;**

13 (B) **Fifteen percent of the net proceeds of the state lottery must be transferred as re-**  
14 **quired by Article XV, section 4 (8), of the Oregon Constitution, to the Parks and Natural**  
15 **Resources Fund established in ORS 541.940; and**

16 (C) **The remaining net proceeds must be transferred to the Administrative Services**  
17 **Economic Development Fund established in ORS 461.540.**

18 (3) As nearly as practical, at least 50 percent of the total projected revenue, computed on a  
19 year-round basis, accruing from the sales of all state lottery tickets or shares shall be apportioned  
20 for payment of prizes.

21 (4) Expenses of the state lottery shall include all costs incurred in the operation and adminis-  
22 tration of the state lottery and all costs resulting from any contracts entered into for the purchase  
23 or lease of goods or services required by the commission including, but not limited to, the costs of  
24 supplies, materials, tickets, independent audit services, independent studies, data transmission, ad-  
25 vertising, promotion, incentives, public relations, communications, compensation paid to lottery  
26 game retailers, bonding for lottery game retailers, printing, distribution of tickets and shares, reim-  
27 bursing other governmental entities for services provided to the state lottery, transfers to a con-  
28 tingency reserve, and for any other goods and services necessary for effectuating the purposes of  
29 this chapter. No more than 16 percent of the total annual revenues accruing from the sale of all  
30 lottery tickets and shares from all lottery games shall be allocated for the payment of the expenses  
31 of the state lottery. The commission shall determine the amount necessary for a reasonable contin-  
32 gency reserve within the amount allocated for payment of expenses.

33 (5) The state lottery shall pay all prizes and all of its expenses out of the revenues it receives  
34 from the sale of tickets and shares to the public and turn over the net proceeds [*therefrom to a fund*  
35 *to be established by the Legislative Assembly*] **to the funds described in subsection (2)(d) of this**  
36 **section**, from which the Legislative Assembly shall make appropriations for the benefit of the public  
37 [*purpose described in section 4, Article XV of the Constitution of the State of Oregon*] **purposes de-**  
38 **scribed in Article XV, section 4, of the Oregon Constitution.**

39 (6) Moneys in the State Lottery Fund may be invested as provided in ORS 293.701 to 293.820.  
40 Interest earned by the fund shall be credited to the fund.

41 (7) **If, in any biennium, the net proceeds available for the benefit of the public purposes**  
42 **described in Article XV, section 4, of the Oregon Constitution, exceed the amount of net**  
43 **proceeds described in ORS 461.200:**

44 (a) **The amount transferred for that biennium pursuant to subsection (2)(d)(C) of this**  
45 **section may not exceed the amount described in ORS 461.200; and**

1       **(b) The remaining amount of net proceeds must be transferred to the Oregon Rainy Day**  
 2 **Lottery Fund established in section 4 of this 2013 Act.**

3       **SECTION 3.** ORS 461.540 is amended to read:

4       461.540. (1) There is established in the General Fund of the State Treasury the Administrative  
 5 Services Economic Development Fund. All moneys transferred from the State Lottery Fund, interest  
 6 earnings credited to this fund and other moneys authorized to be transferred to this fund from  
 7 whatever source are appropriated continuously **to the Oregon Department of Administrative**  
 8 **Services** for any of the following public purposes:

- 9       (a) Creating jobs;
- 10       (b) Furthering economic development [*in Oregon; or*];
- 11       (c) Financing public education **in Oregon; or**
- 12       **(d) Restoring and protecting Oregon’s parks, beaches, watersheds and native fish and**  
 13 **wildlife.**

14       [(2) Moneys shall be transferred from the Administrative Services Economic Development Fund  
 15 to:]

16       [(a) The Education Stability Fund established under ORS 348.696 as described in section 4, Article  
 17 XV of the Oregon Constitution; and]

18       [(b) The School Capital Matching Fund established under ORS 286A.806 as described in section  
 19 4, Article XI-P of the Oregon Constitution.]

20       [(3)] **(2)** As used in this section and [section 4,] Article XV, **section 4**, of the Oregon Constitu-  
 21 tion:

- 22       (a) “Creating jobs” includes, but is not limited to:
- 23       (A) Supporting the creation of new jobs in Oregon;
- 24       (B) Helping prevent the loss of existing jobs in Oregon;
- 25       (C) Assisting with work transition to new jobs in Oregon; or
- 26       (D) Training or retraining workers.

27       (b) “Education” includes, but is not limited to, [*the Education Stability Fund established under*  
 28 *ORS 348.696 and*] specific programs that support the following:

- 29       (A) Prekindergartens;
- 30       (B) Elementary and secondary schools;
- 31       (C) Community colleges;
- 32       (D) Higher education;
- 33       (E) Continuing education;
- 34       (F) Workforce training and education programs; or
- 35       (G) Financial assistance to Oregon students.

36       (c) “Furthering economic development” includes, but is not limited to, providing:

- 37       (A) Services or financial assistance to for-profit and nonprofit businesses located or to be lo-  
 38 cated in Oregon;
- 39       (B) Services or financial assistance to business or industry associations to promote, expand or  
 40 prevent the decline of their businesses; or
- 41       (C) Services or financial assistance for facilities, physical environments or development projects,  
 42 as defined in ORS 285B.410, that benefit Oregon’s economy.

43       **SECTION 4. (1) The Oregon Rainy Day Lottery Fund is established in the General Fund.**  
 44 **The Oregon Rainy Day Lottery Fund consists of moneys transferred to the fund pursuant**  
 45 **to ORS 461.510 (7). Moneys in the fund may be used for the public purposes described in ORS**

1 461.540 (1).

2 (2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Lot-  
3 tery Fund only if the appropriation is approved by three-fifths of the members serving in  
4 each house of the Legislative Assembly and the Legislative Assembly finds one of the fol-  
5 lowing:

6 (a) That the last quarterly economic and revenue forecast for a biennium indicates that  
7 moneys available to the General Fund for the next biennium will be at least three percent  
8 less than appropriations from the General Fund for the current biennium;

9 (b) That there has been a decline for two or more consecutive quarters in the last 12  
10 months in seasonally adjusted nonfarm payroll employment; or

11 (c) That a quarterly economic and revenue forecast projects that revenues in the General  
12 Fund in the current biennium will be at least two percent below what the revenues were  
13 projected to be in the revenue forecast on which the legislatively adopted budget for the  
14 current biennium was based.

15 (3) Once each month, the Oregon Department of Administrative Services shall calculate  
16 the amount of General Fund interest that is attributable to moneys in the Oregon Rainy Day  
17 Lottery Fund and transfer the amount calculated under this subsection to the Oregon Rainy  
18 Day Lottery Fund.

19 (4) The Legislative Assembly may not appropriate for any one biennium more than two-  
20 thirds of the amount that is in the Oregon Rainy Day Lottery Fund at the beginning of that  
21 biennium. If the appropriation is for a biennium that has not yet begun, the Legislative As-  
22 sembly may use as the base the most recent estimate of the amount that will be in the  
23 Oregon Rainy Day Lottery Fund at the beginning of the biennium for which the appropriation  
24 is made.

25 (5) As used in this section, "legislatively adopted budget" has the meaning given that  
26 term in ORS 291.002.

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