

House Joint Resolution 33

Sponsored by Representative HICKS

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**.

Proposes amendment to Oregon Constitution to add school safety and community safety to public purposes for which net proceeds of Oregon State Lottery may be spent.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. Section 4, Article XV of the Constitution of the State of Oregon, is amended to read:

Sec. 4. (1) Except as provided in subsections (2), (3), (4), (8), **(9) and (10)** [*and (9)*] of this section, lotteries and the sale of lottery tickets, for any purpose whatever, are prohibited, and the Legislative Assembly shall prevent the same by penal laws.

(2) The Legislative Assembly may provide for the establishment, operation, and regulation of raffles and the lottery commonly known as bingo or lotto by charitable, fraternal, or religious organizations. As used in this section, charitable, fraternal or religious organization means such organizations or foundations as defined by law because of their charitable, fraternal, or religious purposes. The regulations shall define eligible organizations or foundations, and may prescribe the frequency of raffles, bingo or lotto, set a maximum monetary limit for prizes and require a statement of the odds on winning a prize. The Legislative Assembly shall vest the regulatory authority in any appropriate state agency.

(3) There is hereby created the State Lottery Commission which shall establish and operate a State Lottery. All proceeds from the State Lottery, including interest, but excluding costs of administration and payment of prizes, shall be used for any of the following **public** purposes: [*creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon's parks, beaches, watersheds and native fish and wildlife.*]

(a) Creating jobs;

(b) Furthering economic development;

(c) Financing public education in Oregon;

(d) Restoring and protecting Oregon's parks, beaches, watersheds and native fish and wildlife; or

(e) Providing for school safety and community safety by:

(A) Protecting school children in preschool, primary and secondary education programs from physical harm by a natural person.

(B) Protecting the community from criminal activity through activities, including:

(i) Crime prevention;

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 (ii) **Crime patrols;**
 2 (iii) **Incarceration of criminal offenders or youth offenders;**
 3 (iv) **Supervision of and services related to criminal offenders on probation, parole or**
 4 **post-prison supervision;**
 5 (v) **Supervision of youth offenders within the jurisdiction of the juvenile courts;**
 6 (vi) **Investigation and forensic work related to crimes;**
 7 (vii) **Prosecution of crimes;**
 8 (viii) **Maintenance of court facilities;**
 9 (ix) **Mental health intervention; and**
 10 (x) **Assistance to victims of crime.**

11 (4)(a) The State Lottery Commission shall be [*comprised*] **composed** of five members appointed
 12 by the Governor and confirmed by the Senate who shall serve at the pleasure of the Governor. At
 13 least one of the Commissioners shall have a minimum of five years experience in law enforcement
 14 and at least one of the Commissioners shall be a certified public accountant. The Commission is
 15 empowered to promulgate rules related to the procedures of the Commission and the operation of
 16 the State Lottery. Such rules and any statutes enacted to further implement this article shall
 17 [*insure*] **ensure** the integrity, security, honesty, and fairness of the **State** Lottery. The Commission
 18 shall have such additional powers and duties as may be provided by law.

19 (b) The Governor shall appoint a Director subject to confirmation by the Senate who shall serve
 20 at the pleasure of the Governor. The Director shall be qualified by training and experience to direct
 21 the operations of a state-operated lottery. The Director shall be responsible for managing the affairs
 22 of the Commission. The Director may appoint and prescribe the duties of no more than four Assist-
 23 ant Directors as the Director deems necessary. One of the Assistant Directors shall be responsible
 24 for a security division to [*assure*] **ensure** security, integrity, honesty, and fairness in the operations
 25 and administration of the State Lottery. To fulfill these responsibilities, the Assistant Director for
 26 security shall be qualified by training and experience, including at least five years of law enforce-
 27 ment experience, and knowledge and experience in computer security.

28 (c) The Director shall implement and operate a State Lottery pursuant to the rules, and under
 29 the guidance, of the Commission. The State Lottery may operate any game procedure authorized
 30 by the commission, except parimutuel racing, social games, and the games commonly known in
 31 Oregon as bingo or lotto, whereby prizes are distributed using any existing or future methods among
 32 adult persons who have paid for tickets or shares in that game; provided that, in lottery games
 33 utilizing computer terminals or other devices, no coins or currency shall ever be dispensed directly
 34 to players from such computer terminals or devices.

35 (d) There is hereby created within the General Fund the Oregon State Lottery Fund which is
 36 continuously appropriated for the purpose of administering and operating the Commission and the
 37 State Lottery. The State Lottery shall operate as a self-supporting revenue-raising agency of state
 38 government and no appropriations, loans, or other transfers of state funds shall be made to it. The
 39 State Lottery shall pay all prizes and all of its expenses out of the revenues it receives from the sale
 40 of tickets or shares to the public. **The Legislative Assembly shall appropriate amounts suffi-**
 41 **cient to pay lottery bonds before appropriating the net proceeds from the State Lottery for**
 42 **any other purpose. At least 84 percent of the total annual revenues from the sale of all lot-**
 43 **tery tickets or shares shall be returned to the public in the form of prizes and net revenues**
 44 **benefiting the public purpose. After the payment of all prizes and all of its expenses, the**
 45 **State Lottery shall turn over** [*and turnover*] the net proceeds therefrom to a fund to be established

1 by the Legislative Assembly from which the Legislative Assembly shall make appropriations for the
 2 benefit of any of the [*following public purposes: creating jobs, furthering economic development, fi-*
 3 *ancing public education in Oregon or restoring and protecting Oregon's parks, beaches, watersheds*
 4 *and native fish and wildlife.*] **public purposes described in paragraphs (a) to (e) of subsection**
 5 **(3) of this section.**

6 (e) Effective July 1, 1997, [15%] **15 percent** of the net proceeds from the State Lottery shall be
 7 deposited, from the fund [*created*] **established** by the Legislative Assembly under [*this paragraph*]
 8 **paragraph (d) of this subsection**, in an education stability fund. Effective July 1, 2003, [18%] **18**
 9 **percent** of the net proceeds from the State Lottery shall be deposited, from the fund created by the
 10 Legislative Assembly under [*this paragraph*] **paragraph (d) of this subsection**, in an education
 11 stability fund. Earnings on moneys in the education stability fund shall be retained in the fund or
 12 expended for the public purpose of financing public education in Oregon as provided by law. Except
 13 as provided in subsection (6) of this section, moneys in the education stability fund shall be invested
 14 as provided by law and shall not be subject to the limitations of section 6, Article XI of this Con-
 15 stitution. The Legislative Assembly may appropriate other moneys or revenue to the education sta-
 16 bility fund. [*The Legislative Assembly shall appropriate amounts sufficient to pay lottery bonds before*
 17 *appropriating the net proceeds from the State Lottery for any other purpose. At least 84% of the total*
 18 *annual revenues from the sale of all lottery tickets or shares shall be returned to the public in the form*
 19 *of prizes and net revenues benefiting the public purpose.*]

20 (5) Notwithstanding paragraph [(d)] (e) of subsection (4) of this section, the amount in the edu-
 21 cation stability fund created under paragraph [(d)] (e) of subsection (4) of this section may not ex-
 22 ceed an amount that is equal to five percent of the amount that was accrued as revenues in the
 23 state's General Fund during the prior biennium. If the amount in the education stability fund ex-
 24 ceeds five percent of the amount that was accrued as revenues in the state's General Fund during
 25 the prior biennium:

26 (a) Additional net proceeds from the State Lottery may not be deposited in the education sta-
 27 bility fund until the amount in the education stability fund is reduced to less than five percent of
 28 the amount that was accrued as revenues in the state's General Fund during the prior biennium;
 29 and

30 (b) Fifteen percent of the net proceeds from the State Lottery shall be deposited, **from the fund**
 31 **established by the Legislative Assembly under paragraph (d) of subsection (4) of this section**,
 32 into the school capital matching fund created under section 4, Article XI-P of this Constitution.

33 (6) The Legislative Assembly may by law appropriate, allocate or transfer any portion of the
 34 principal of the education stability fund created under paragraph [(d)] (e) of subsection (4) of this
 35 section for expenditure on public education if:

36 (a) The proposed appropriation, allocation or transfer is approved by three-fifths of the members
 37 serving in each house of the Legislative Assembly and the Legislative Assembly finds one of the
 38 following:

39 (A) That the last quarterly economic and revenue forecast for a biennium indicates that moneys
 40 available to the state's General Fund for the next biennium will be at least three percent less than
 41 appropriations from the state's General Fund for the current biennium;

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

44 (C) That a quarterly economic and revenue forecast projects that revenues in the state's General
 45 Fund in the current biennium will be at least two percent below what the revenues were projected

1 to be in the revenue forecast on which the legislatively adopted budget for the current biennium
2 was based; or

3 (b) The proposed appropriation, allocation or transfer is approved by three-fifths of the members
4 serving in each house of the Legislative Assembly and the Governor declares an emergency.

5 (7) The Legislative Assembly may by law prescribe the procedures to be used and identify the
6 persons required to make the forecasts described in subsection (6) of this section.

7 (8) Effective July 1, 1999, [15%] **15 percent** of the net proceeds from the State Lottery shall be
8 deposited, **from the fund established by the Legislative Assembly under paragraph (d) of**
9 **subsection (4) of this section**, in a parks and natural resources fund created by the Legislative
10 Assembly. Of the moneys in the parks and natural resources fund, [50%] **50 percent** shall be de-
11 posited in a parks subaccount and distributed for the public purposes of financing the protection,
12 repair, operation, and creation of state, regional and local public parks, ocean shore and public
13 beach access areas, historic sites and recreation areas, and [50%] **50 percent** shall be deposited in
14 a natural resources subaccount and distributed for the public purposes of financing the restoration
15 and protection of native fish and wildlife, watersheds and water quality in Oregon. The Legislative
16 Assembly shall not limit expenditures from the parks and natural resources fund, or from the parks
17 or natural resources subaccounts. The Legislative Assembly may appropriate other moneys or re-
18 venue to the parks and natural resources fund.

19 **(9)(a) Effective July 1, 2015, 50 percent of the net proceeds from the State Lottery shall:**

20 **(A) Be deposited, from the fund established by the Legislative Assembly under paragraph**
21 **(d) of subsection (4) of this section, in a school and community safety fund to be created by**
22 **the Legislative Assembly. Earnings on moneys in the school and community safety fund shall**
23 **be retained in the fund and distributed for the public purpose described in paragraph (e) of**
24 **subsection (3) of this section. The Legislative Assembly may appropriate other moneys or**
25 **revenue to the school and community safety fund.**

26 **(B) Be distributed, from the school and community safety fund created pursuant to sub-**
27 **paragraph (A) of this paragraph by the state agency to which moneys in the fund are ap-**
28 **propriated, as follows:**

29 **(i) Ten percent of the moneys must be allocated and distributed to counties in equal**
30 **amounts;**

31 **(ii) Eighty percent of the moneys must be allocated and distributed to counties in the**
32 **same proportion as the State Lottery generates gross proceeds from each of the counties;**
33 **and**

34 **(iii) Ten percent of the moneys must be allocated and distributed to the state police.**

35 **(b) The Legislative Assembly shall enact legislation to implement the distribution of**
36 **moneys under paragraph (a) of this subsection, but may not establish substantive limitations**
37 **on the distribution of those moneys or additional restrictions on the use of those moneys.**

38 [(9)] **(10) Only one State Lottery operation shall be permitted in the State.**

39 [(10)] **(11) The Legislative Assembly has no power to authorize, and shall prohibit, casinos from**
40 **operation in the State of Oregon.**

41
42 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**
43 **people for their approval or rejection at the next regular general election held throughout**
44 **this state.**