

House Bill 4079

Sponsored by Representative DAVIS; Representatives BENTZ, HICKS, HUFFMAN, OLSON, READ, THOMPSON, WHITSETT (Presession filed.)

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**.

Directs Oregon State Lottery to establish pilot program to operate lottery savings game in which players may win randomly awarded prizes of interest or earnings.

Establishes Oregon State Lottery Savings Game Trust Fund for receipt of savings invested by players of lottery savings game. Continuously appropriates moneys in fund to Director of Oregon State Lottery. Authorizes discrete investment of moneys received from players of lottery savings game.

Sunsets pilot program on _____.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a lottery savings game; creating new provisions; amending ORS 293.701; appropriating
3 money; and declaring an emergency.

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

5 **SECTION 1. As used in sections 1 to 3 of this 2014 Act, "interest or earnings" includes**
6 **the portion of the price of tickets and shares that, in the discretion of the Oregon State**
7 **Lottery, will be returned to the public in the form of prizes.**

8 **SECTION 2. (1) The Oregon State Lottery Commission shall establish a pilot project to**
9 **operate a lottery game in which players buy a ticket or share for the opportunity to partic-**
10 **ipate in a prize-linked savings game.**

11 **(2) In each calendar month that begins at least 30 days after the later of the date of**
12 **purchase of the ticket or share or the date moneys are invested in the prize-linked savings**
13 **game, until withdrawn, moneys invested in the prize-linked savings game may earn a fixed**
14 **rate of interest and must be eligible to receive interest or earnings payments in the form**
15 **of randomly awarded prizes.**

16 **(3) The purchase of a ticket or share provides a player with one opportunity to invest**
17 **an amount of money up to a maximum determined by the Oregon State Lottery Commission.**
18 **The commission shall also determine the minimum price of the ticket or share.**

19 **(4) The opportunity for a player to win randomly awarded interest or earnings prizes**
20 **must be proportional either to the cost of the ticket or share purchased or to the amount**
21 **of money invested in the prize-linked savings game.**

22 **(5) At a minimum, a player who invests moneys in the prize-linked savings game is en-**
23 **titled to a return of 100 percent of the moneys invested. However, during any period in which**
24 **calendar-year interest or earnings returns are negative, the commission, by rule, may pro-**
25 **vide for:**

26 **(a) Imposition of a waiting period for withdrawal of moneys from the prize-linked savings**
27 **game.**

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) Suspending the awarding of random interest or earnings prizes.

2 (6) The Oregon State Lottery shall hold moneys invested in the prize-linked savings game
3 in trust for players of the prize-linked savings game.

4 **SECTION 3.** (1) The Oregon State Lottery Savings Game Trust Fund is established sep-
5 arate and distinct from the General Fund. Interest earned on moneys in the Oregon State
6 Lottery Savings Game Trust Fund must be credited to the fund. Moneys in the fund are
7 continuously appropriated to the Director of the Oregon State Lottery for the purposes of
8 sections 1 to 3 of this 2014 Act.

9 (2) Interest earned on moneys in the fund:

10 (a) May be used to pay expenses of the operation of the prize-linked savings game.

11 (b) Are deemed to be trust funds only to the extent that the director allocates a portion
12 of the moneys to the payment of randomly awarded interest or earnings prizes.

13 (3) The fund consists only of:

14 (a) Moneys invested in the prize-linked savings game, including interest or earnings
15 credited to the holdings of prize-winning players.

16 (b) Interest earned on moneys in the fund, including interest allocated to the payment
17 of expenses of operation of the prize-linked savings game and interest allocated to the pay-
18 ment of randomly awarded prizes that have not yet been awarded to prize-winning players.

19 (c) Moneys collected from the sale of tickets or shares for the prize-linked savings game.

20 (4) The fund is a trust fund, as defined in ORS 291.002. Except as provided otherwise in
21 this section, the director may not commingle other moneys with moneys held in the fund in
22 trust.

23 (5) The director may establish accounts and subaccounts within the fund as necessary
24 or appropriate to manage moneys in the fund and for other administrative purposes.

25 (6) Moneys in the fund may be discretely invested, as defined in ORS 293.723. However,
26 the State Treasurer, in consultation with the director, may invest a portion of the moneys
27 in the Oregon Short Term Fund established in ORS 293.728 so that the director can meet the
28 demand for withdrawal of moneys invested in the prize-linked savings game.

29 **SECTION 4.** ORS 293.701 is amended to read:

30 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

31 (1) "Council" means the Oregon Investment Council.

32 (2) "Investment funds" means:

33 (a) Public Employees Retirement Fund referred to in ORS 238.660;

34 (b) Industrial Accident Fund referred to in ORS 656.632;

35 (c) Consumer and Business Services Fund referred to in ORS 705.145;

36 (d) Employment Department Special Administrative Fund referred to in ORS 657.822;

37 (e) Insurance Fund referred to in ORS 278.425;

38 (f) Funds under the control and administration of the Department of State Lands;

39 (g) Oregon Student Assistance Fund referred to in ORS 348.570;

40 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.540 or
41 rules adopted thereunder;

42 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry
43 General Obligation Bond Fund referred to in ORS 530.280;

44 (j) Oregon War Veterans' Fund referred to in ORS 407.495;

45 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;

- 1 (L) World War II Veterans' Compensation Fund;
- 2 (m) World War II Veterans' Bond Sinking Fund;
- 3 (n) Funds in the hands of the State Treasurer that are not required to meet current demands
- 4 and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another
- 5 commingled investment vehicle;
- 6 (o) State funds that are not subject to the control and administration of officers or bodies spe-
- 7 cifically designated by law;
- 8 (p) Funds derived from the sale of state bonds;
- 9 (q) Social Security Revolving Account referred to in ORS 237.490;
- 10 (r) Oregon University System Fund established by ORS 351.506 and the Higher Education Do-
- 11 nation Fund established by ORS 351.130;
- 12 (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;
- 13 (t) Elderly and Disabled Special Transportation Fund established by ORS 391.800;
- 14 (u) Education Stability Fund established by ORS 348.696;
- 15 (v) Deferred Compensation Fund established under ORS 243.411; *[and]*
- 16 (w) Trust for Cultural Development Account established under ORS 359.405; **and**
- 17 **(x) Oregon State Lottery Savings Game Trust Fund established under section 3 of this**
- 18 **2014 Act.**
- 19 (3) "Investment officer" means the State Treasurer in the capacity as investment officer for the
- 20 council.
- 21 **SECTION 5.** ORS 293.701, as amended by section 4 of this 2014 Act, is amended to read:
- 22 293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:
- 23 (1) "Council" means the Oregon Investment Council.
- 24 (2) "Investment funds" means:
- 25 (a) Public Employees Retirement Fund referred to in ORS 238.660;
- 26 (b) Industrial Accident Fund referred to in ORS 656.632;
- 27 (c) Consumer and Business Services Fund referred to in ORS 705.145;
- 28 (d) Employment Department Special Administrative Fund referred to in ORS 657.822;
- 29 (e) Insurance Fund referred to in ORS 278.425;
- 30 (f) Funds under the control and administration of the Department of State Lands;
- 31 (g) Oregon Student Assistance Fund referred to in ORS 348.570;
- 32 (h) Moneys made available to the Commission for the Blind under ORS 346.270 and 346.540 or
- 33 rules adopted thereunder;
- 34 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147 and State Forestry
- 35 General Obligation Bond Fund referred to in ORS 530.280;
- 36 (j) Oregon War Veterans' Fund referred to in ORS 407.495;
- 37 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS 407.515;
- 38 (L) World War II Veterans' Compensation Fund;
- 39 (m) World War II Veterans' Bond Sinking Fund;
- 40 (n) Funds in the hands of the State Treasurer that are not required to meet current demands
- 41 and that are invested in the Oregon Short Term Fund established under ORS 293.728 or in another
- 42 commingled investment vehicle;
- 43 (o) State funds that are not subject to the control and administration of officers or bodies spe-
- 44 cifically designated by law;
- 45 (p) Funds derived from the sale of state bonds;

- 1 (q) Social Security Revolving Account referred to in ORS 237.490;
- 2 (r) Oregon University System Fund established by ORS 351.506 and the Higher Education Do-
- 3 nation Fund established by ORS 351.130;
- 4 (s) Local Government Employer Benefit Trust Fund referred to in ORS 657.513;
- 5 (t) Elderly and Disabled Special Transportation Fund established by ORS 391.800;
- 6 (u) Education Stability Fund established by ORS 348.696;
- 7 (v) Deferred Compensation Fund established under ORS 243.411; **and**
- 8 (w) Trust for Cultural Development Account established under ORS 359.405[; *and*]
- 9 [*(x) Oregon State Lottery Savings Game Trust Fund established under section 3 of this 2014*
- 10 *Act*].

11 (3) "Investment officer" means the State Treasurer in the capacity as investment officer for the
 12 council.

13 **SECTION 6.** (1) Sections 1 to 3 of this 2014 Act and the amendments to ORS 293.701 by
 14 section 4 of this 2014 Act become operative one year after the effective date of this 2014 Act.

15 (2) The Oregon State Lottery may take steps to prepare for implementation of sections
 16 1 to 3 of this 2014 Act and the amendments to ORS 293.701 by section 4 of this 2014 Act before
 17 the operative date specified in subsection (1) of this section.

18 **SECTION 7.** The amendments to ORS 293.701 by section 5 of this 2014 Act become oper-
 19 ative _____.

20 **SECTION 8.** Sections 1 to 3 of this 2014 Act are repealed on _____.

21 **SECTION 9.** This 2014 Act being necessary for the immediate preservation of the public
 22 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect
 23 on its passage.
 24 _____