

House Joint Resolution 22

Sponsored by Representative PARRISH

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 include providing services to veterans among 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 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; and

(e) Providing services for veterans, including but not limited to assistance with reintegration, employment, education benefits and tuition, housing, health care, including mental health care, and access to state and federal benefits for veterans, and spouses and dependents of veterans.

(4)(a) The State Lottery Commission shall be comprised of five members appointed by the Gov-

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 ernor and confirmed by the Senate who shall serve at the pleasure of the Governor. At least one
 2 of the Commissioners shall have a minimum of five years experience in law enforcement and at least
 3 one of the Commissioners shall be a certified public accountant. The Commission is empowered to
 4 promulgate rules related to the procedures of the Commission and the operation of the State Lot-
 5 tery. Such rules and any statutes enacted to further implement this article shall [*insure*] **ensure** the
 6 integrity, security, honesty, and fairness of the Lottery. The Commission shall have such additional
 7 powers and duties as may be provided by law.

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

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

24 (d) There is hereby created within the General Fund the Oregon State Lottery Fund which is
 25 continuously appropriated for the purpose of administering and operating the Commission and the
 26 State Lottery. The State Lottery shall operate as a self-supporting [*revenue-raising*] **income-**
 27 **generating** agency of state government and no appropriations, loans, or other transfers of state
 28 funds shall be made to it. The State Lottery shall pay all prizes and all of its expenses out of the
 29 [*revenues it receives*] **gross proceeds received** from the sale of tickets or shares to the public and
 30 [*turnover*] **turn over** the net proceeds therefrom to a fund to be established by the Legislative As-
 31 sembly from which the Legislative Assembly shall make appropriations for the benefit of any of the
 32 following public purposes: [*creating jobs, furthering economic development, financing public education*
 33 *in Oregon or restoring and protecting Oregon's parks, beaches, watersheds and native fish and*
 34 *wildlife.*]

35 **(A) Creating jobs;**

36 **(B) Furthering economic development;**

37 **(C) Financing public education in Oregon;**

38 **(D) Restoring and protecting Oregon's parks, beaches, watersheds and native fish and**
 39 **wildlife; and**

40 **(E) Providing services for veterans, including but not limited to assistance with reinte-**
 41 **gration, employment, education benefits and tuition, housing, health care, including mental**
 42 **health care, and access to state and federal benefits for veterans, and spouses and depen-**
 43 **dents of veterans.**

44 (e) Effective July 1, 1997, [*15%*] **15 percent** of the net proceeds from the State Lottery shall be
 45 deposited, from the fund created by the Legislative Assembly under [*this*] paragraph **(d)** of **this**

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

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

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

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

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

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

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

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

37 (C) That a quarterly economic and revenue forecast projects that revenues in the state's General
 38 Fund in the current biennium will be at least two percent below what the revenues were projected
 39 to be in the revenue forecast on which the legislatively adopted budget for the current biennium
 40 was based; or

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

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

45 (8) Effective July 1, 1999, [15%] **15 percent** of the net proceeds from the State Lottery shall be

1 deposited, **from the fund created by the Legislative Assembly under paragraph (d) of sub-**
2 **section (4) of this section**, in a parks and natural resources fund created by the Legislative As-
3 sembly. Of the moneys in the parks and natural resources fund, [50%] **50 percent** shall be deposited
4 in a parks subaccount and distributed for the public purposes of financing the protection, repair,
5 operation, and creation of state, regional and local public parks, ocean shore and public beach ac-
6 cess areas, historic sites and recreation areas, and [50%] **50 percent** shall be deposited in a natural
7 resources subaccount and distributed for the public purposes of financing the restoration and pro-
8 tection of native fish and wildlife, watersheds and water quality in Oregon. The Legislative Assem-
9 bly shall not limit expenditures from the parks and natural resources fund, or from the parks or
10 natural resources subaccounts. The Legislative Assembly may appropriate other moneys or revenue
11 to the parks and natural resources fund.

12 **(9) Effective July 1, 2017, one percent of the net proceeds from the State Lottery shall**
13 **be deposited, from the fund created by the Legislative Assembly under paragraph (d) of**
14 **subsection (4) of this section, in a veterans' services lottery fund created by the Legislative**
15 **Assembly. Earnings on moneys in the veterans' services lottery fund shall be retained in the**
16 **fund or expended for the public purpose described in paragraph (e) of subsection (3) of this**
17 **section as provided by law. The Legislative Assembly may appropriate other moneys or re-**
18 **venue to the veterans' services lottery fund. The state agency to which moneys in the**
19 **veterans' services lottery fund are allocated shall use the moneys to make grants and loans,**
20 **and to provide services directly, for the public purposes described in paragraph (e) of sub-**
21 **section (3) of this section.**

22 [(9)] (10) Only one State Lottery operation shall be permitted in the State.

23 [(10)] (11) The Legislative Assembly has no power to authorize, and shall prohibit, casinos from
24 operation in the State of Oregon.

25
26 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**
27 **people for their approval or rejection at the next regular general election held throughout**
28 **this state.**

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