

2017 -- H 5236

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - STATE LOTTERY -
DISBURSEMENT OF REVENUE

Introduced By: Representatives Ucci, Winfield, Williams, and O'Brien

Date Introduced: January 26, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-61-15 of the General Laws in Chapter 42-61 entitled "State
2 Lottery" is hereby amended to read as follows:

3 **42-61-15. State lottery fund.**

4 (a) There is created the state lottery fund, into which shall be deposited all revenues
5 received by the division from the sales of lottery tickets and license fees. The fund shall be in the
6 custody of the general treasurer, subject to the direction of division for the use of the division, and
7 money shall be disbursed from it on the order of the controller of the state, pursuant to vouchers
8 or invoices signed by the director and certified by the director of administration. The moneys in
9 the state lottery fund shall be allotted in the following order, and only for the following purposes:

10 (1) Establishing a prize fund from which payments of the prize awards shall be disbursed
11 to holders of winning lottery tickets on checks signed by the director and countersigned by the
12 controller of the state or his or her designee.

13 (i) The amount of payments of prize awards to holders of winning lottery tickets shall be
14 determined by the division, but shall not be less than forty-five percent (45%) nor more than
15 sixty-five percent (65%) of the total revenue accruing from the sale of lottery tickets.

16 (ii) For the lottery game commonly known as "Keno", the amount of prize awards to
17 holders of winning Keno tickets shall be determined by the division, but shall not be less than
18 forty-five percent (45%) nor more than seventy-two percent (72%) of the total revenue accruing

1 from the sale of Keno tickets.

2 (2) Payment of expenses incurred by the division in the operation of the state lotteries
3 including, but not limited to, costs arising from contracts entered into by the director for
4 promotional, consulting, or operational services, salaries of professional, technical, and clerical
5 assistants, and purchases or lease of facilities, lottery equipment, and materials; provided
6 however, solely for the purpose of determining revenues remaining and available for transfer to
7 the state's general fund, beginning in fiscal year 2015, expenses incurred by the division in the
8 operation of state lotteries shall reflect the actuarially determined employer contribution to the
9 Employees' Retirement System consistent with the state's adopted funding policy. For financial
10 reporting purposes, the state lottery fund financial statements shall be prepared in accordance
11 with generally accepted accounting principles as promulgated by the Governmental Accounting
12 Standards Board; and

13 (3) Payment into ~~the general revenue fund~~ an education aid restricted receipt account, the
14 establishment of which is hereby authorized, and from which account disbursements shall be
15 made by the treasurer to the cities and towns as education aid, of all revenues remaining in the
16 state lottery fund after the payments specified in subdivisions (a)(1) -- (a)(2) of this section;
17 provided, disbursements made from the education aid restricted receipt account shall be in
18 addition to, and shall not be a part of nor impact foundation level school support, or be considered
19 a part of the state's share of such aid, as calculated pursuant to the provisions of chapter 7.2 of
20 title 16.

21 (b) The auditor general shall conduct an annual post audit of the financial records and
22 operations of the lottery for the preceding year in accordance with generally accepted auditing
23 standards and government auditing standards. In connection with the audit, the auditor general
24 may examine all records, files, and other documents of the division, and any records of lottery
25 sales agents that pertain to their activities as agents, for purposes of conducting the audit. The
26 auditor general, in addition to the annual post audit, may require or conduct any other audits or
27 studies he or she deems appropriate, the costs of which shall be borne by the division.

28 (c) Payments into the ~~state's general fund~~ education aid restricted receipt account
29 specified in subsection (a)(3) of this section shall be made on an estimated quarterly basis.
30 Payment shall be made on the tenth business day following the close of the quarter except for the
31 fourth quarter when payment shall be on the last business day.

32 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would direct profits from the state lottery into an education aid restricted receipt
- 2 account to be disbursed as state aid to education.
- 3 This act would take effect upon passage.

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