

HOUSE BILL 73

Introduced by J. Rice

1/03	Introduced
1/03	Fiscal Note Requested
1/03	Referred to Judiciary
1/07	First Reading
1/11	Fiscal Note Received
1/14	Fiscal Note Printed
2/07	Hearing
2/08	Tabled in Committee
3/21	Taken from the Table in Committee & Rereferred to Appropriations
3/22	Hearing
3/22	Tabled in Committee

1 HOUSE BILL NO. 73

2 INTRODUCED BY J. RICE

3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE

4 ON ADULT AND JUVENILE DETENTION

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT STATUTORILY
7 APPROPRIATING A PORTION OF LOTTERY PROCEEDS TO FUND YOUTH
8 DETENTION PROGRAMS; AMENDING SECTIONS 23-5-1007 AND
9 23-5-1027, MCA; AND PROVIDING AN EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:12 **Section 1.** Section 23-5-1027, MCA, is amended to read:

13 "23-5-1027. **Disposition of revenue.** (1) A minimum of
14 45% of the money paid for tickets or chances must be paid
15 out as prize money. The prize money is statutorily
16 appropriated, as provided in 17-7-502, to the lottery.

17 (2) Commissions paid to lottery ticket or chance sales
18 agents are not a state lottery operating expense.

19 (3) That part of all gross revenue not used for the
20 payment of prizes, commissions, and operating expenses,
21 together with the interest earned on the gross revenue while
22 the gross revenue is in the enterprise fund, is net revenue
23 and. Except for the amount required to be paid under
24 subsection (5), net revenue must be paid quarterly from the
25 enterprise fund established by 23-5-1026 to the

1 superintendent of public instruction for distribution as
2 state equalization aid to the public schools of Montana as
3 provided in 20-9-343. The net revenue is statutorily
4 appropriated, as provided in 17-7-502, to the superintendent
5 of public instruction.

6 (4) The spending authority of the lottery may be
7 increased in accordance with this section upon review and
8 approval of a revised operation plan by the budget office.

9 (5) Fifteen percent of the net revenue derived under
10 subsection (3) must be paid quarterly to the board of crime
11 control to fund state grants to counties for youth detention
12 programs as authorized in [section 8 of LC 66]. The revenue
13 is statutorily appropriated, as provided in 17-7-502, to the
14 board of crime control."

15 **Section 2.** Section 23-5-1007, MCA, is amended to read:

16 "23-5-1007. **Powers and duties of commission.** The
17 commission shall:

18 (1) establish and operate a state lottery and may not
19 become involved in any other gambling or gaming;

20 (2) determine policies for the operation of the state
21 lottery, supervise the director and his staff, and meet with
22 the director at least once every 3 months to make and
23 consider recommendations, set policies, determine types and
24 forms of lottery games to be operated by the state lottery,
25 and transact other necessary business;

1 (3) maximize the net revenue paid to the superintendent
2 of public instruction and to the board of crime control
3 under 23-5-1027 and ensure that all policies and rules
4 adopted further revenue maximization;

5 (4) subject to 23-5-1027(1), determine the percentage
6 of the money paid for tickets or chances to be paid out as
7 prizes;

8 (5) determine the price of each ticket or chance and
9 the number and size of prizes;

10 (6) provide for the conduct of drawings of winners of
11 lottery games;

12 (7) carry out, with the director, a continuing study of
13 the state lotteries of Montana and other states to make the
14 state lottery more efficient, profitable, and secure from
15 violations of the law;

16 (8) study and may enter into agreements with other
17 lottery states to offer lottery games;

18 (9) prepare quarterly and annual reports on all aspects
19 of the operation of the state lottery, including but not
20 limited to types of games, gross revenue, prize money paid,
21 operating expenses, net revenue to the state, contracts with
22 gaming suppliers, and recommendations for changes to this
23 part, and deliver a copy of each report to the governor, the
24 department of administration, the legislative auditor, the
25 president of the senate, the speaker of the house of

1 representatives, and each member of the appropriate
2 committee of each house of the legislature as determined by
3 the president of the senate and the speaker of the house;
4 and

5 (10) adopt rules relating to lottery staff sales
6 incentives or bonuses and sales agents' commissions and any
7 other rules necessary to carry out this part."

8 NEW SECTION. Section 3. Coordination instruction. If
9 ___ Bill No. ___ [LC 66] is not passed and approved, then
10 [this act] is void.

11 NEW SECTION. Section 4. Effective date. [This act] is
12 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0073, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to statutorily appropriate a portion of lottery proceeds to fund youth detention programs; amend sections 23-5-1007 and 23-5-1027, MCA; and provide an effective date.

ASSUMPTIONS:

1. The net proceeds of the Montana Lottery currently are transferred to the school equalization account.
2. The decrease in the school equalization account will be offset by an equal increase in its general fund appropriation.
3. Montana Lottery will have net revenue of \$6,190,000 in FY92 and \$7,082,000 in FY93 (OBPP). The 15% statutory appropriation of net lottery revenue to fund state grants to counties for youth detention will be \$928,500 in FY92 and \$1,062,300 in FY93.
4. The fiscal impact on Board of Crime Control program expenditures and funding which would result from this statutory appropriation will appear in the fiscal note for the companion bill (SB37).

FISCAL IMPACT:Office of Public Instruction:

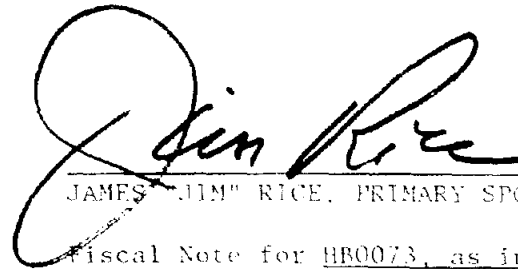
	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Revenue:</u>						
School Equalization Account (02)	6,190,000	5,261,500	(928,500)	7,082,000	6,019,700	(1,062,300)
General Fund Appropriation (01)	0	928,500	928,500	0	1,062,300	1,062,300



ROD SUNDSTED, BUDGET DIRECTOR
Office of Budget and Program Planning

1-10-91

DATE



JAMES "JIM" RICE, PRIMARY SPONSOR

DATE

Fiscal Note for HB0073, as introduced

HB 73