

HOUSE BILL NO. 210

INTRODUCED BY SWYSGOOD, THOFT, CAMPBELL

IN THE HOUSE

JANUARY 16, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
JANUARY 17, 1989	FIRST READING.
FEBRUARY 1, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 2, 1989	PRINTING REPORT.
FEBRUARY 3, 1989	SECOND READING, DO PASS.
FEBRUARY 4, 1989	ENGROSSING REPORT.
FEBRUARY 6, 1989	THIRD READING, PASSED. AYES, 92; NOES, 5.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
MARCH 7, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 8, 1989	SECOND READING, CONCURRED IN.
MARCH 10, 1989	THIRD READING, CONCURRED IN. AYES, 44; NOES, 4.
	RETURNED TO HOUSE.

MARCH 11, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *210*
2 INTRODUCED BY *Swygard Staff*
3 *Carroll*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT
5 INTEREST EARNED ON THE GROSS REVENUE GENERATED BY THE STATE
6 LOTTERY WHILE THE GROSS REVENUE IS IN THE LOTTERY ENTERPRISE
7 FUND IN THE STATE TREASURY IS NET LOTTERY REVENUE AND MUST
8 BE DISTRIBUTED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
9 TO BE USED AS EQUALIZATION AID FOR THE TEACHERS' RETIREMENT
10 FUNDS; AND AMENDING SECTION 23-5-1027, MCA."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 23-5-1027, MCA, is amended to read:

14 "23-5-1027. Disposition of revenue. (1) (a) As near as
15 possible to 45% of the money paid for tickets or chances
16 must be paid out as prize money, except as provided in
17 subsection (1)(b).

18 (b) In the case of a regional lottery game, a maximum
19 of 50% of the money paid for tickets or chances may be paid
20 out as prize money.

21 (2) Up to 15% of the gross revenue from the state
22 lottery may be used by the director to pay the operating
23 expenses of the state lottery. Commissions paid to lottery
24 ticket or chance sales agents are not a state lottery
25 operating expense.

1 (3) Funds to pay the operating expenses of the lottery
2 are statutorily appropriated as provided in 17-7-502.

3 (4) That part of all gross revenue not used for the
4 payment of prizes, commissions, and operating expenses,
5 together with the interest earned on the gross revenue while
6 the gross revenue is in the enterprise fund, is net revenue
7 and must be paid quarterly from the enterprise fund
8 established by 23-5-1026 to the superintendent of public
9 instruction for distribution as equalization aid to the
10 retirement fund obligations of elementary and high school
11 districts in the manner provided in 20-9-532."

12 **Section 2. Extension of authority.** Any existing
13 authority to make rules on the subject of the provisions of
14 [this act] is extended to the provisions of [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB210, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB210 would provide that interest earned on the gross revenue generated by the Lottery while the gross revenue is in the Lottery enterprise fund is net lottery revenue and must be distributed to the Superintendent of Public Instruction to be used as equalization aid for the teachers' retirement funds.

ASSUMPTIONS:

1. Under current law, the interest earnings on the revenues deposited in this fund are general fund revenue.
2. The average daily cash balance for FY90 and FY91 will be \$2,775,000.
3. The entire cash balance will continue to be invested at a rate equal to the FY88 Short-Term Investment rate of 7.06%, resulting in interest earnings of \$195,915 each fiscal year.
4. The proposed law will have no impact on instant ticket sales, which are assumed to continue at \$13,000,000 each year of the 1991 biennium, or on Lottery expenses.

FISCAL IMPACT:Expenditures:

	Current	FY90		Current	FY91	
	Law	Proposed	Difference	Law	Proposed	Difference
Dept. of Commerce						
Operating Costs	\$8,528,000	\$8,528,000	-0-	\$8,528,000	\$8,528,000	-0-

Funding:


Instant Ticket Sales	\$13,000,000	\$13,000,000	-0-	\$13,000,000	\$13,000,000	-0-
Interest Earnings	195,915	195,915	-0-	195,915	195,915	-0-
Total	\$13,195,915	\$13,195,915	-0-	\$13,195,915	\$13,195,915	-0-

Revenue:

To General Fund	\$ 195,915	\$ -0-	(\$195,915)	\$ 195,915	\$ -0-	(\$195,915)
To OPI for Equalization	\$ 4,472,000	\$ 4,667,915	\$195,915	\$ 4,472,000	\$ 4,667,915	\$195,915

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Lottery net revenues for transfer to the Office of Public Instruction would increase by approximately \$195,915 per year.

 2/6/89
 RAY SHACKLEFORD, BUDGET DIRECTOR DATE
 OFFICE OF BUDGET AND PROGRAM PLANNING

 2/07/89
 CHUCK SWYSGOOD, PRIMARY SPONSOR DATE

Fiscal Note for HB210, as introduced

HB 210

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

1 *House* BILL NO. *210*
2 INTRODUCED BY *Surgeon General*
3 *Langford*
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT
5 INTEREST EARNED ON THE GROSS REVENUE GENERATED BY THE STATE
6 LOTTERY WHILE THE GROSS REVENUE IS IN THE LOTTERY ENTERPRISE
7 FUND IN THE STATE TREASURY IS NET LOTTERY REVENUE AND MUST
8 BE DISTRIBUTED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
9 TO BE USED AS EQUALIZATION AID FOR THE TEACHERS' RETIREMENT
10 FUNDS; AND AMENDING SECTION 23-5-1027, MCA."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 23-5-1027, MCA, is amended to read:

14 "23-5-1027. Disposition of revenue. (1) (a) As near as
15 possible to 45% of the money paid for tickets or chances
16 must be paid out as prize money, except as provided in
17 subsection (1)(b).

18 (b) In the case of a regional lottery game, a maximum
19 of 50% of the money paid for tickets or chances may be paid
20 out as prize money.

21 (2) Up to 15% of the gross revenue from the state
22 lottery may be used by the director to pay the operating
23 expenses of the state lottery. Commissions paid to lottery
24 ticket or chance sales agents are not a state lottery
25 operating expense.

1 (3) Funds to pay the operating expenses of the lottery
2 are statutorily appropriated as provided in 17-7-502.

3 (4) That part of all gross revenue not used for the
4 payment of prizes, commissions, and operating expenses,
5 together with the interest earned on the gross revenue while
6 the gross revenue is in the enterprise fund, is net revenue
7 and must be paid quarterly from the enterprise fund
8 established by 23-5-1026 to the superintendent of public
9 instruction for distribution as equalization aid to the
10 retirement fund obligations of elementary and high school
11 districts in the manner provided in 20-9-532."

12 **Section 2. Extension of authority.** Any existing
13 authority to make rules on the subject of the provisions of
14 [this act] is extended to the provisions of [this act].

-End-

1 *House* BILL NO. *210*
2 INTRODUCED BY *Surgeon General*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT
5 INTEREST EARNED ON THE GROSS REVENUE GENERATED BY THE STATE
6 LOTTERY WHILE THE GROSS REVENUE IS IN THE LOTTERY ENTERPRISE
7 FUND IN THE STATE TREASURY IS NET LOTTERY REVENUE AND MUST
8 BE DISTRIBUTED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
9 TO BE USED AS EQUALIZATION AID FOR THE TEACHERS' RETIREMENT
10 FUNDS; AND AMENDING SECTION 23-5-1027, MCA."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 23-5-1027, MCA, is amended to read:

14 "23-5-1027. Disposition of revenue. (1) (a) As near as
15 possible to 45% of the money paid for tickets or chances
16 must be paid out as prize money, except as provided in
17 subsection (1)(b).

18 (b) In the case of a regional lottery game, a maximum
19 of 50% of the money paid for tickets or chances may be paid
20 out as prize money.

21 (2) Up to 15% of the gross revenue from the state
22 lottery may be used by the director to pay the operating
23 expenses of the state lottery. Commissions paid to lottery
24 ticket or chance sales agents are not a state lottery
25 operating expense.

1 (3) Funds to pay the operating expenses of the lottery
2 are statutorily appropriated as provided in 17-7-502.

3 (4) That part of all gross revenue not used for the
4 payment of prizes, commissions, and operating expenses,
5 together with the interest earned on the gross revenue while
6 the gross revenue is in the enterprise fund, is net revenue
7 and must be paid quarterly from the enterprise fund
8 established by 23-5-1026 to the superintendent of public
9 instruction for distribution as equalization aid to the
10 retirement fund obligations of elementary and high school
11 districts in the manner provided in 20-9-532."

12 **Section 2. Extension of authority.** Any existing
13 authority to make rules on the subject of the provisions of
14 [this act] is extended to the provisions of [this act].

-End-

HOUSE BILL NO. 210

INTRODUCED BY SWYSGOOD, THOFT, CAMPBELL

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT INTEREST EARNED ON THE GROSS REVENUE GENERATED BY THE STATE LOTTERY WHILE THE GROSS REVENUE IS IN THE LOTTERY ENTERPRISE FUND IN THE STATE TREASURY IS NET LOTTERY REVENUE AND MUST BE DISTRIBUTED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO BE USED AS EQUALIZATION AID FOR THE TEACHERS' RETIREMENT FUNDS; AND AMENDING SECTION 23-5-1027, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 23-5-1027, MCA, is amended to read:

"23-5-1027. Disposition of revenue. (1) (a) As near as possible to 45% of the money paid for tickets or chances must be paid out as prize money, except as provided in subsection (1)(b).

(b) In the case of a regional lottery game, a maximum of 50% of the money paid for tickets or chances may be paid out as prize money.

(2) Up to 15% of the gross revenue from the state lottery may be used by the director to pay the operating expenses of the state lottery. Commissions paid to lottery ticket or chance sales agents are not a state lottery operating expense.

(3) Funds to pay the operating expenses of the lottery are statutorily appropriated as provided in 17-7-502.

(4) That part of all gross revenue not used for the payment of prizes, commissions, and operating expenses, together with the interest earned on the gross revenue while the gross revenue is in the enterprise fund, is net revenue and must be paid quarterly from the enterprise fund established by 23-5-1026 to the superintendent of public instruction for distribution as equalization aid to the retirement fund obligations of elementary and high school districts in the manner provided in 20-9-532."

NEW SECTION. **Section 2.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

-End-