

Senate Bill 16 - Prefile

By: Senator James of the 35th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to the
2 lottery for education, so as to require the Georgia Lottery Corporation to conduct and publish
3 a biannual audit regarding the location and distribution of winning lottery tickets; to provide
4 for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to the lottery for
8 education, is amended by revising Code Section 50-27-33, relating to reports by the Georgia
9 Lottery Corporation, audits, budget, and fiscal year, as follows:

10 "50-27-33.

11 (a) To ensure the financial integrity of the lottery, the corporation through its board of
12 directors shall:

13 (1) Submit quarterly and annual reports to the Governor, state auditor, the state
14 accounting officer, and the oversight committee created by Code Section 50-27-34,
15 disclosing the total lottery revenues, prize disbursements, operating expenses, and
16 administrative expenses of the corporation during the reporting period, including the
17 distribution of administrative expenses for administrative costs for staff, overhead, and
18 expenses. The annual report shall additionally describe the organizational structure of
19 the corporation and summarize the functions performed by each organizational division
20 within the corporation;

21 (2) Adopt a system of internal audits;

22 (3) Maintain weekly or more frequent records of lottery transactions, including the
23 distribution of tickets or shares to retailers, revenues received, claims for prizes, prizes
24 paid, prizes forfeited, and other financial transactions of the corporation;

25 (4) Contract with a certified public accountant or firm for an annual financial audit of the
26 corporation. The certified public accountant or firm shall have no financial interest in any

27 vendor with whom the corporation is under contract. The certified public accountant or
 28 firm shall present an audit report not later than four months after the end of the fiscal
 29 year. The certified public accountant or firm shall evaluate the internal auditing controls
 30 in effect during the audit period. The cost of this annual financial audit shall be an
 31 operating expense of the corporation. The state auditor may at any time conduct an audit
 32 of any phase of the operations of the Georgia Lottery Corporation at the expense of the
 33 state and shall receive a copy of the annual independent financial audit. A copy of any
 34 audit performed by the certified public accountant or firm or the state auditor shall be
 35 transmitted to the Governor, the Lieutenant Governor, and the Speaker of the House of
 36 Representatives, the state auditor, the state accounting officer, and the oversight
 37 committee chairperson;

38 (5) Submit to the Office of Planning and Budget, the state auditor, and the state
 39 accounting officer by June 30 of each year a copy of the annual operating budget for the
 40 corporation for the next fiscal year. This annual operating budget shall be approved by
 41 the board and be on such forms as prescribed by the Office of Planning and Budget;

42 (6) For informational purposes only, submit to the Office of Planning and Budget on
 43 September 1 of each year a proposed operating budget for the corporation for the
 44 succeeding fiscal year. This budget proposal shall also be accompanied by an estimate
 45 of the net proceeds to be deposited into the Lottery for Education Account during the
 46 succeeding fiscal year. This budget shall be on such forms as prescribed by the Office
 47 of Planning and Budget; and

48 (7) Adopt the same fiscal year as that used by state government.

49 (b) To ensure the integrity of the administration of lottery games, the corporation shall
 50 biannually conduct and publish an audit to include:

51 (1) The number of lottery ticket sales by census area; and

52 (2) The total distribution of winnings by:

53 (A) Type of lottery game, such as instant games and weekly drawings;

54 (B) Size of lottery prizes awarded, including dollar amounts for minor and major
 55 winning tickets and the name of the lottery game;

56 (C) Locations of winning lottery tickets, including minor and major population and
 57 census areas; and

58 (D) Frequency of winning lottery tickets by census area."

59 **SECTION 2.**

60 All laws and parts of laws in conflict with this Act are repealed.