

Senate Bill 5

By: Senators Cowsert of the 46th, Millar of the 40th, Tippins of the 37th, Shafer of the 48th, Albers of the 56th and others

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

1 To amend Code Section 50-27-13 of the Official Code of Georgia Annotated, relating to
2 disposition of lottery proceeds, budget report by Governor, appropriations by General
3 Assembly, and shortfall reserve subaccount, so as to establish the percentage of the lottery
4 proceeds for each fiscal year which must equal the net proceeds to be transferred to the state
5 treasury for credit to the Lottery for Education Account; to provide for exceptions; to provide
6 for verification of certain information by the Department of Audits and Accounts; to provide
7 for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 50-27-13 of the Official Code of Georgia Annotated, relating to disposition of
11 lottery proceeds, budget report by Governor, appropriations by General Assembly, and
12 shortfall reserve subaccount, is amended by revising subsection (a) as follows:

13 "(a)(1) All lottery proceeds shall be the property of the corporation.

14 (2) From its lottery proceeds the corporation shall pay the operating expenses of the
15 corporation. As nearly as practical, at least 45 percent of the amount of money from the
16 actual sale of lottery tickets or shares shall be made available as prize money; provided,
17 however, that this paragraph shall be deemed not to create any lien, entitlement, cause of
18 action, or other private right, and any rights of holders of tickets or shares shall be
19 determined by the corporation in setting the terms of its lottery or lotteries.

20 (3)(A) For fiscal year 2018, net proceeds shall equal at least 26.5 percent of the lottery
21 proceeds. For fiscal year 2019, net proceeds shall equal at least 27.5 percent of the
22 lottery proceeds. Beginning with fiscal year 2020 and ~~As nearly as practical,~~ for each
23 fiscal year thereafter, net proceeds shall equal at least 35 28.5 percent of the lottery
24 proceeds. However, for the first two full fiscal years and any partial first fiscal year of
25 the corporation, net proceeds need only equal 30 percent of the proceeds as nearly as
26 practical.

27 (B) If for fiscal year 2018 the net sales revenue of tickets is 5 percent less than the net
28 sales revenue of tickets for fiscal year 2017 as verified by the Department of Audits and
29 Accounts as provided in subparagraph (C) of this paragraph, then the increase of the net
30 proceeds to at least 27.5 percent of the lottery proceeds for fiscal year 2019, as provided
31 in subparagraph (A) of this paragraph, shall not be required and instead the net proceeds
32 shall remain equal to at least 26.5 percent of the lottery proceeds for each fiscal year
33 thereafter. If for fiscal year 2019 the net sales revenue of tickets is 5 percent less than
34 the net sales revenue of tickets for fiscal year 2018 as verified by the Department of
35 Audits and Accounts as provided in subparagraph (C) of this paragraph, then the
36 increase of the net proceeds to at least 28.5 percent of the lottery proceeds for fiscal
37 year 2020, as provided in subparagraph (A) of this paragraph, shall not be required and
38 instead the net proceeds shall remain equal to at least 27.5 percent of the lottery
39 proceeds for each fiscal year thereafter. For purposes of this subparagraph, the term
40 'net sales revenue' means the total amount of revenue derived from ticket sales minus
41 the value of any tickets that are provided as prizes.
42 (C) The contingencies provided in subparagraph (B) of this paragraph shall not be
43 applicable unless and until the Department of Audits and Accounts or a third party
44 designated by the Department of Audits and Accounts shall verify that there has been
45 a decrease in the net sales revenue of tickets of at least 5 percent and that such decrease
46 was caused by the increased percentage of net proceeds the corporation was required
47 to transfer to the general fund of the state treasury as provided for in subparagraph (A)
48 of this paragraph."

49 **SECTION 2.**

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