

The House Committee on Appropriations offers the following substitute to SB 5:

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 a definition; to provide for related matters; to repeal conflicting laws; and for other
7 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 As nearly as practical, for each fiscal year, net proceeds shall equal at least
21 35 percent or as near as is practical but shall not be less than 25 percent of the lottery
22 proceeds. However, for the first two full fiscal years and any partial first fiscal year of
23 the corporation, net proceeds need only equal 30 percent of the proceeds as nearly as
24 practical. For the fiscal year commencing July 1, 2018, and for every fiscal year
25 thereafter, if the net sales revenue for the fiscal year exceeds the net sales revenue for
26 the immediately preceding fiscal year by 5 percent or more, then the net proceeds the

27 corporation shall transfer to the general fund of the treasury, for credit to the Lottery for
28 Education Account for the preceding fiscal year, shall equal an amount 0.5 percent
29 greater than the net proceeds for the immediately preceding fiscal year; provided,
30 however, that if the net sales revenue for a fiscal year ending on or after July 1, 2018,
31 fails to exceed the highest net sales revenue ever previously earned by the corporation
32 for a fiscal year, then the increase of 0.5 percent shall not be required for such fiscal
33 year.
34 (B) For purposes of this paragraph, the term 'net sales revenue' means the total amount
35 of revenue derived from lottery sales minus the value of any tickets that are provided
36 as prizes."

37 **SECTION 2.**

38 All laws and parts of laws in conflict with this Act are repealed.