

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 326

Short Title: Lottery Game to Benefit Veterans. (Public)

Sponsors: Representative R. Johnson (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Homeland Security, Military, and Veterans Affairs, if favorable, Finance.

March 24, 2015

A BILL TO BE ENTITLED

AN ACT TO CREATE A SPECIAL NORTH CAROLINA EDUCATION LOTTERY GAME
TO BENEFIT HOMELESS VETERANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18C-130(a) reads as rewritten:

"(a) The Commission shall determine the types of lottery games that may be used in the Lottery. Games may include instant lotteries, online games, games played on computer terminals or other devices, and other games traditional to a lottery or that have been conducted by any other state government-operated lottery. When determining the types of lottery games that may be used, the Commission shall include the instant lottery scratch-off game designated to benefit veterans as provided in G.S. 18C-130.1.

...."

SECTION 2. Article 4 of Chapter 18C of the General Statutes is amended by adding a new section to read:

"§ 18C-130.1. Veterans' instant lottery scratch-off game.

(a) The Commission shall establish an instant lottery scratch-off game designated as the "North Carolina Veterans' Benefit Game" to be used in the Lottery.

(b) Notwithstanding G.S. 18C-162, all net proceeds from the sale of the instant lottery scratch-off game described in subsection (a) of this section shall be deposited in the Veterans' Lottery Fund created under subsection (c) of this section.

(c) A special revenue fund, to be known as the Veterans' Lottery Fund, is created within the State treasury that shall consist of all revenues derived from the North Carolina Veterans' Benefit Game, any appropriations to the Fund by the General Assembly, and all interest earned by the Fund.

(d) The funds remaining in the North Carolina State Lottery Fund derived from proceeds from the North Carolina Veterans' Benefit Game, after receipt of all revenues to the Lottery Fund and after accrual of all obligations of the Commission for prizes and expenses, shall be considered to be net revenues. The net revenues of the North Carolina State Lottery Fund derived from proceeds from the North Carolina Veterans' Benefit Game shall be transferred four times a year to the Veterans' Lottery Fund."

SECTION 3. G.S. 18C-162(c) reads as rewritten:

"(c) Unclaimed prize money shall be held separate and apart from the other revenues and allocated as follows:

(1) Fifty percent (50%) to enhance prizes under subdivision (a)(1) of this section.



1 (2) Fifty percent (50%) to the Education Lottery Fund or the Veterans' Lottery
2 Fund to be allocated in accordance with ~~G.S. 18C-164(e)~~.G.S. 18C-164(c) or
3 G.S. 18C-164(c1), depending on the type of ticket sold."

4 **SECTION 4.** G.S. 18C-164 reads as rewritten:

5 "**§ 18C-164. Transfer of net revenues.**

6 (a) The funds remaining in the North Carolina State Lottery Fund after receipt of all
7 revenues to the Lottery Fund and after accrual of all obligations of the Commission for prizes
8 and expenses shall be considered to be the net revenues of the North Carolina State Lottery
9 Fund. The net revenues of the North Carolina State Lottery Fund shall be transferred four times
10 a year to the Education Lottery Fund, which shall be created in the State treasury.

11 (b) From the Education Lottery Fund, the Office of State Budget and Management shall
12 transfer a sum equal to five percent (5%) of the net revenue of the prior year to the Education
13 Lottery Reserve Fund. A special revenue fund for this purpose shall be established in the State
14 treasury to be known as the Education Lottery Reserve Fund, and that fund shall be capped at
15 fifty million dollars (\$50,000,000). Monies in the Education Lottery Reserve Fund may be
16 appropriated only as provided in subsection (e) of this section.

17 (c) The General Assembly shall appropriate the remaining net revenue of the Education
18 Lottery Fund annually in the Current Operations Appropriations Act for education-related
19 purposes, based upon estimates of lottery net revenue to the Education Lottery Fund provided
20 by the Office of State Budget and Management and the Fiscal Research Division of the
21 Legislative Services Commission. A security interest shall not be granted in funds appropriated
22 pursuant to this subsection.

23 (c1) The General Assembly shall appropriate the net revenue of the Veterans' Lottery
24 Fund annually in the Current Operations Appropriations Act for the benefit of homeless
25 veterans. A security interest shall not be granted in funds appropriated pursuant to this
26 subsection.

27 (d) Repealed by Session Laws 2013-360, s. 6.11(c), effective June 30, 2013.

28 (e) If the actual net revenues are less than the appropriation for that given year, then the
29 Governor may transfer from the Education Lottery Reserve Fund an amount sufficient to equal
30 the appropriation by the General Assembly.

31 (f) Actual net revenues in excess of the amounts appropriated in a fiscal year shall
32 remain in the Education Lottery Fund."

33 **SECTION 5.** This act is effective when it becomes law. The Commission shall
34 establish the North Carolina Veterans' Benefit Game on or before January 1, 2016.