

LD2018378

HOUSE BILL NO. 2366

Offered January 23, 1995

A BILL to amend and reenact § 58.1-4022 of the Code of Virginia and to provide for a statewide referendum, relating to the State Lottery Fund.

Patron—Nelms

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-4022 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-4022. State Lottery Fund.

A. All moneys received from the sale of lottery tickets or shares, less payment for prizes and compensation of agents as authorized by regulation and any other revenues received under this chapter, shall be placed in a special fund known as the "State Lottery Fund." Notwithstanding any other provisions of law, interest earned from moneys in the State Lottery Fund shall accrue to the benefit of such Fund.

B. The total costs for the operation and administration of the lottery shall be funded from the State Lottery Fund and shall be in such amount as provided in the general appropriation act. Appropriations to the Department during any fiscal year beginning on and after July 1, 1989, exclusive of agent compensation, shall at no time exceed ten percent of the total annual estimated gross revenues to be generated from lottery sales. However, should it be anticipated at any time by the Director that such operational and administrative costs for a fiscal year will exceed the limitation provided herein, the Director shall immediately report such information to the Board, the Governor and the Chairmen of Senate Finance and House Appropriations Committees. From the moneys in the Fund, the Comptroller shall establish a special reserve fund in such amount as shall be provided by regulation of the Department for (i) operation of the lottery, or (ii) use if the game's pay-out liabilities exceed its cash on hand.

C. Any start-up sums appropriated from the general fund of the Commonwealth necessary to commence operation of a state lottery shall be repaid within the first twelve months of initial lottery sales.

D. Appropriation of lottery revenues shall be made only upon actual and audited collections as transferred to the general fund and shall in no event be predicated upon an estimation of such revenues. No later than ten days after receipt of the audit report required by § 58.1-4023, the Comptroller shall transfer to the general fund, less the special reserve fund, the audited balances of the State Lottery Fund. *One-half of all net lottery profits collected from lottery sales on and after July 1, 1996, shall be distributed among the counties and cities of the Commonwealth. The amounts shall be distributed within thirty days after the Comptroller transfers the audited balances of the State Lottery Fund to the general fund and shall be based on each county's and city's share of total sales.*

E. As a function of the administration of this chapter, funds may be expended for the purposes of reasonably informing the public concerning (i) the facts embraced in the subjects contained in subdivisions 1 through 7 of subsection A of § 58.1-4007 and (ii) the fact that the net proceeds are paid into the general fund of the Commonwealth; but no funds shall be expended for the primary purpose of inducing persons to participate in the lottery.

2. That the amendment in § 58.1-4022 in the first enactment of this act shall become effective only if approved by a majority of those voting in a referendum to be conducted at the general election in November 1995 as follows:

§ 1. *It shall be the duty of the officers conducting the election directed by law to be held on the Tuesday after the first Monday in November 1995, at the places appointed for holding the same, to open a poll and take the sense of the qualified voters upon their approval of this act as provided herein. Notice of the election shall be published at least twice, the first publication being at least forty-five days before the election, in such newspapers designated by the State Board of Elections which collectively shall circulate throughout the Commonwealth.*

§ 2. *The voting machines and ballots to be used at the election shall pose the question in substantially the following form:*

QUESTION: *"Shall one-half of all net lottery proceeds collected from lottery sales on and after July 1, 1996, be distributed among the counties and cities of the Commonwealth based on each county's and city's share of total lottery sales, as provided by Chapter ___, Acts of Assembly of 1995?"*

☐ Yes

INTRODUCED

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60 ☐ No

61 *The ballots shall be prepared, distributed and voted, and the results thereof ascertained and certified,*
62 *in the manner prescribed by Title 24.2 of the Code of Virginia. The electoral board of such county and*
63 *city shall make out, certify and forward an abstract of the votes cast for and against this act in the*
64 *manner now prescribed by law in relation to votes cast in general elections.*

65 *The State Board of Elections shall open and canvas such abstracts and examine and report the*
66 *whole number of votes cast at the election for and against this act in the manner now prescribed by law*
67 *in relation to votes cast in general elections. The State Board of Elections shall record a certified copy*
68 *of such report in its office and without delay make out and transmit to the Governor an official copy of*
69 *such report, certified by it.*

70 *The Governor shall, without delay, make proclamation of the result, stating therein the aggregate*
71 *vote for and against such proposition.*

72 *§ 3. The State Board of Elections shall cause to be sent to the electoral boards of each county and*
73 *city sufficient copies of the full text of this act and the question contained herein for the officers of*
74 *election to post in each polling place on election day.*

75 *§ 4. The expenses incurred in conducting this election shall be defrayed as in the case of the election*
76 *of members of the General Assembly.*