

LD7909124

HOUSE BILL NO. 729

Offered January 25, 1994

A BILL to amend and reenact § 58.1-4022 of the Code of Virginia and to amend the Code of Virginia by adding in Title 22.1 a section numbered 22.1-88.1, relating to the creation of the Excellence in Education Fund and the transfer of certain state lottery proceeds.

Patrons—Ball, Abbitt, Albo, Almand, Armstrong, Barlow, Behm, Bennett, Bloxom, Brickley, Cantor, Christian, Clement, Cohen, Connally, Cooper, Copeland, Council, Cox, Cranwell, Croshaw, Crouch, Cunningham, Darner, Davies, DeBoer, Deeds, Diamonstein, Dillard, Giesen, Grayson, Hall, Hamilton, Hargrove, Harris, Hull, Ingram, Jackson, Johnson, Jones, D. C., Jones, J.C., Keating, Kidd, Kilgore, Martin, May, Mayer, McClure, Melvin, Miller, Mims, Morgan, Phillips, Plum, Puller, Putney, Rhodes, Robinson, Ruff, Scott, Spruill, Stump, Van Landingham, Van Yahres and Woodrum

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-4022 of the Code of Virginia is amended and reenacted and the Code of Virginia is amended by adding in Title 22.1 a section numbered 22.1-88.1 as follows:

§ 22.1-88.1. Excellence in Education Fund.

A. The General Assembly hereby finds and declares that all children of the Commonwealth deserve access to high quality public education, regardless of where they live or their circumstances. To improve educational achievement, the Excellence in Education Fund is hereby established in the state treasury. The Fund shall consist of such sums as may be (i) directed or appropriated by the General Assembly from time to time; (ii) donated or devised by individuals, associations, corporations, or partnerships; and (iii) accrued as interest, dividends, and appreciation. The Fund shall be permanent and nonreverting. Any unexpended balance in the Fund at the end of the biennium shall not be transferred to the general fund of the state treasury.

B. When sums from the Excellence in Education Fund are distributed to localities pursuant to the general appropriations act, such sums shall (i) be appropriated as general funds and (ii) supplement other sums appropriated by the General Assembly to improve educational achievement for the children of the Commonwealth.

§ 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, less (i) the special reserve fund and (ii) lottery profits from the preceding fiscal year that exceed \$309 million, up to a maximum of twenty-five percent of total lottery profits, which the Comptroller shall transfer to the Excellence in Education Fund established pursuant to § 22.1-88.1.

E. When sums from the Excellence in Education Fund are distributed to localities by the General

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60 *Assembly pursuant to the general appropriations act, such sums shall (i) be appropriated as general*
61 *funds and (ii) supplement other sums appropriated by the General Assembly to improve educational*
62 *achievement for the children of the Commonwealth.*

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

68 **2. That the provisions of this act shall become effective on July 1, 1996.**