

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-4022 of the Code of Virginia, relating to the State Lottery Fund.*

3 [S 859]

4 Approved

5 **Be it enacted by the General Assembly of Virginia:**6 **1. That § 58.1-4022 of the Code of Virginia is amended and reenacted as follows:**

7 § 58.1-4022. State Lottery Fund.

8 A. All moneys received from the sale of lottery tickets or shares, less payment for prizes and  
9 compensation of agents as authorized by regulation and any other revenues received under this chapter,  
10 shall be placed in a special fund known as the "State Lottery Fund." Notwithstanding any other  
11 provisions of law, interest earned from moneys in the State Lottery Fund shall accrue to the benefit of  
12 such Fund.13 B. The total costs for the operation and administration of the lottery shall be funded from the State  
14 Lottery Fund and shall be in such amount as provided in the general appropriation act. Appropriations to  
15 the Department during any fiscal year beginning on and after July 1, 1989, exclusive of agent  
16 compensation, shall at no time exceed ten percent of the total annual estimated gross revenues to be  
17 generated from lottery sales. However, should it be anticipated at any time by the Director that such  
18 operational and administrative costs for a fiscal year will exceed the limitation provided herein, the  
19 Director shall immediately report such information to the Board, the Governor and the Chairmen of  
20 Senate Finance and House Appropriations Committees. From the moneys in the Fund, the Comptroller  
21 shall establish a special reserve fund in such amount as shall be provided by regulation of the  
22 Department for (i) operation of the lottery, ~~or~~ (ii) use if the game's pay-out liabilities exceed its cash on  
23 hand, *or (iii) enhancement of the prize pool with income derived from lending securities held for*  
24 *payment of prize installments, which lending of securities shall be conducted in accordance with lending*  
25 *programs approved by the Department of the Treasury.*26 C. Any start-up sums appropriated from the general fund of the Commonwealth necessary to  
27 commence operation of a state lottery shall be repaid within the first twelve months of initial lottery  
28 sales.29 D. Appropriation of lottery revenues shall be made only upon actual and audited collections as  
30 transferred to the general fund and shall in no event be predicated upon an estimation of such revenues.  
31 No later than ten days after receipt of the audit report required by § 58.1-4023, the Comptroller shall  
32 transfer to the general fund, less the special reserve fund, the audited balances of the State Lottery Fund.33 E. As a function of the administration of this chapter, funds may be expended for the purposes of  
34 reasonably informing the public concerning (i) the facts embraced in the subjects contained in  
35 subdivisions 1 through 7 of subsection A of § 58.1-4007 and (ii) the fact that the net proceeds are paid  
36 into the general fund of the Commonwealth; but no funds shall be expended for the primary purpose of  
37 inducing persons to participate in the lottery.

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