

The Senate Committee on Higher Education offered the following substitute to HB 222:

A BILL TO BE ENTITLED
AN ACT

1 To change certain provisions relating to Hope scholarships and grants and the funding of
2 such scholarships and grants; to amend Part 7 of Article 7 of Chapter 3 of Title 20 of the
3 Official Code of Georgia Annotated, relating to HOPE scholarships and grants, so as to
4 provide that members of the Georgia National Guard and reservists meet residency
5 requirements; to amend Code Section 50-27-13 of the Official Code of Georgia Annotated,
6 relating to disposition of lottery proceeds, budget report by Governor, appropriations by
7 General Assembly, and shortfall reserve subaccount, so as to establish the percentage of the
8 lottery proceeds for each fiscal year which must equal the net proceeds to be transferred to
9 the state treasury for credit to the Lottery for Education Account; to provide for exceptions;
10 to provide for verification of certain information by the Department of Audits and Accounts;
11 to provide for related matters; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

13 Part 7 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
14 relating to HOPE scholarships and grants, is amended in Code Section 20-3-519.1, relating
15 to eligibility for HOPE scholarships and grants, by revising paragraph (1) of subsection (a)
16 as follows:
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18 "(1) Meets residency requirements by:

19 (A)(i) Being classified as a legal resident of Georgia as established by the program
20 regulations promulgated by the Georgia Student Finance Commission which shall be
21 based upon the in-state tuition policy of the board of regents and the in-state tuition
22 guidelines set by the Technical College System of Georgia; and

23 (ii)(I) If the student was classified as a legal resident of Georgia at the time of
24 graduation from high school or from a home study program meeting the requirements
25 of Code Section 20-2-690, then the student must have met the requirements set forth

26 in division (i) of this subparagraph for a period of at least 12 months immediately
 27 prior to the first day of classes for which the scholarship or grant is to be awarded; or
 28 (II) If the student was not classified as a legal resident at the time of graduation from
 29 high school or from a home study program meeting the requirements of Code
 30 Section 20-2-690, then the student must have met the requirements set forth in
 31 division (i) of this subparagraph for a period of at least 24 months immediately prior
 32 to the first day of classes for which the scholarship or grant is to be awarded; or
 33 (B) Being classified as a legal resident of Georgia if such student is a member of the
 34 Georgia National Guard; a member of a reserve component of the armed forces of the
 35 United States located in Georgia; or an active duty military service member or the
 36 spouse or dependent child of an active duty military service member and the active duty
 37 military service member is stationed in Georgia or lists Georgia as their home of record;
 38 and"

39 SECTION 2.

40 Code Section 50-27-13 of the Official Code of Georgia Annotated, relating to disposition of
 41 lottery proceeds, budget report by Governor, appropriations by General Assembly, and
 42 shortfall reserve subaccount, is amended by revising subsection (a) as follows:

43 "(a)(1) All lottery proceeds shall be the property of the corporation.

44 (2) From its lottery proceeds the corporation shall pay the operating expenses of the
 45 corporation. As nearly as practical, at least 45 percent of the amount of money from the
 46 actual sale of lottery tickets or shares shall be made available as prize money; provided,
 47 however, that this paragraph shall be deemed not to create any lien, entitlement, cause of
 48 action, or other private right, and any rights of holders of tickets or shares shall be
 49 determined by the corporation in setting the terms of its lottery or lotteries.

50 (3)(A) For fiscal year 2018, net proceeds shall equal at least 26.5 percent of the lottery
 51 proceeds. For fiscal year 2019, net proceeds shall equal at least 27.5 percent of the
 52 lottery proceeds. Beginning with fiscal year 2020 and ~~As nearly as practical,~~ for each
 53 fiscal year thereafter, net proceeds shall equal at least 35 28.5 percent of the lottery
 54 proceeds. However, for the first two full fiscal years and any partial first fiscal year of
 55 the corporation, net proceeds need only equal 30 percent of the proceeds as nearly as
 56 practical:

57 (B) If for fiscal year 2018 the net sales revenue of tickets is 5 percent less than the net
 58 sales revenue of tickets for fiscal year 2017 as verified by the Department of Audits and
 59 Accounts as provided in subparagraph (C) of this paragraph, then the increase of the net
 60 proceeds to at least 27.5 percent of the lottery proceeds for fiscal year 2019, as provided
 61 in subparagraph (A) of this paragraph, shall not be required and instead the net proceeds

62 shall remain equal to at least 26.5 percent of the lottery proceeds for each fiscal year
63 thereafter. If for fiscal year 2019 the net sales revenue of tickets is 5 percent less than
64 the net sales revenue of tickets for fiscal year 2018 as verified by the Department of
65 Audits and Accounts as provided in subparagraph (C) of this paragraph, then the
66 increase of the net proceeds to at least 28.5 percent of the lottery proceeds for fiscal
67 year 2020, as provided in subparagraph (A) of this paragraph, shall not be required and
68 instead the net proceeds shall remain equal to at least 27.5 percent of the lottery
69 proceeds for each fiscal year thereafter. For purposes of this subparagraph, the term
70 'net sales revenue' means the total amount of revenue derived from ticket sales minus
71 the value of any tickets that are provided as prizes.
72 (C) The contingencies provided in subparagraph (B) of this paragraph shall not be
73 applicable unless and until the Department of Audits and Accounts or a third party
74 designated by the Department of Audits and Accounts shall verify that there has been
75 a decrease in the net sales revenue of tickets of at least 5 percent and that such decrease
76 was caused by the increased percentage of net proceeds the corporation was required
77 to transfer to the general fund of the state treasury as provided for in subparagraph (A)
78 of this paragraph."

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SECTION 3.

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