

2022 -- H 7491

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT – STATE LOTTERY

Introduced By: Representatives Tobon, Azzinaro, Vella-Wilkinson, Abney, Noret, Place,
Price, Kennedy, Amore, and McLaughlin

Date Introduced: February 16, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-61-15 of the General Laws in Chapter 42-61 entitled "State
2 Lottery" is hereby amended to read as follows:

3 **42-61-15. State lottery fund.**

4 (a) There is created the state lottery fund, into which shall be deposited all revenues
5 received by the division from the sales of lottery tickets and license fees. The fund shall be in the
6 custody of the general treasurer, subject to the direction of the division for the use of the division,
7 and money shall be disbursed from it on the order of the controller of the state, pursuant to vouchers
8 or invoices signed by the director and certified by the director of administration. The moneys in the
9 state lottery fund shall be allotted in the following order, and only for the following purposes:

10 (1) Establishing a prize fund from which payments of the prize awards shall be disbursed
11 to holders of winning lottery tickets on checks signed by the director and countersigned by the
12 controller of the state or his or her designee.

13 (i) The amount of payments of prize awards to holders of winning lottery tickets shall be
14 determined by the division, but shall not be less than forty-five percent (45%) nor more than sixty-
15 five percent (65%) of the total revenue accruing from the sale of lottery tickets;

16 (ii) For the lottery game commonly known as "Keno," the amount of prize awards to
17 holders of winning Keno tickets shall be determined by the division, but shall not be less than forty-
18 five percent (45%) nor more than seventy-two percent (72%) of the total revenue accruing from
19 the sale of Keno tickets;

1 (A) All Keno sales, less prizes and commissions, generated on Memorial Day and Veterans
2 Day, which shall be known as “Special Game Days”, shall be allocated to a designated account for
3 the benefit of veterans’ causes. The director shall promulgate rules, regulations, and specifications
4 for administering the designated account with disbursement pursuant to legislation and
5 appropriation by the general assembly.

6 (2) Payment of expenses incurred by the division in the operation of the state lotteries
7 including, but not limited to, costs arising from contracts entered into by the director for
8 promotional, consulting, or operational services, salaries of professional, technical, and clerical
9 assistants, and purchases or lease of facilities, lottery equipment, and materials; provided however,
10 solely for the purpose of determining revenues remaining and available for transfer to the state's
11 general fund, expenses incurred by the division in the operation of state lotteries shall reflect (i)
12 Beginning in fiscal year 2015, the actuarially determined employer contribution to the Employees'
13 Retirement System consistent with the state's adopted funding policy; and (ii) Beginning in fiscal
14 year 2018, the actuarially determined employer contribution to the State Employees and Electing
15 Teachers' OPEB System consistent with the state's adopted funding policy. For financial reporting
16 purposes, the state lottery fund financial statements shall be prepared in accordance with generally
17 accepted accounting principles as promulgated by the Governmental Accounting Standards Board;
18 and

19 (3) Payment into the general revenue fund of all revenues remaining in the state lottery
20 fund after the payments specified in subsections (a)(1) -- (a)(2) of this section.

21 (b) The auditor general shall conduct an annual post audit of the financial records and
22 operations of the lottery for the preceding year in accordance with generally accepted auditing
23 standards and government auditing standards. In connection with the audit, the auditor general may
24 examine all records, files, and other documents of the division, and any records of lottery sales
25 agents that pertain to their activities as agents, for purposes of conducting the audit. The auditor
26 general, in addition to the annual post audit, may require or conduct any other audits or studies he
27 or she deems appropriate, the costs of which shall be borne by the division.

28 (c) Payments into the state's general fund specified in subsection (a)(3) of this section shall
29 be made on an estimated quarterly basis. Payment shall be made on the tenth business day following
30 the close of the quarter except for the fourth quarter when payment shall be on the last business
31 day.

32 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT – STATE LOTTERY

1 This act would designate a special account for veterans' causes to be funded by Keno sales,
2 less prizes and commissions, generated on Memorial Day and Veterans Day with disbursement
3 pursuant to legislation and appropriation by the general assembly.

4 This act would take effect upon passage.

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