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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - STATE LOTTERY

Introduced By: Senator Maryellen Goodwin

Date Introduced: May 17, 2012

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

10 (1) (i) Establishing a prize fund from which payments of the prize awards shall be  
11 disbursed to holders of winning lottery tickets on checks signed by the director and countersigned  
12 by the controller of the state or his or her designee. The amount of payments of prize awards to  
13 holders of winning lottery tickets shall be determined by the division, but shall not be less than  
14 forty-five percent (45%) nor more than sixty-five percent (65%) of the total revenue accruing  
15 from the sale of lottery tickets.

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

1 (2) Payment of expenses incurred by the division in the operation of the state lotteries  
2 including, but not limited to, costs arising from contracts entered into by the director for  
3 promotional, consulting, or operational services, salaries of professional, technical, and clerical  
4 assistants, and purchases or lease of facilities, lottery equipment, and materials;

5 (3) Repayment into the general revenue fund of the amount appropriated for the  
6 implementation of the state lottery; and

7 (4) Payment into the general revenue fund of all revenues remaining in the state lottery  
8 fund after the payments specified in subdivisions (a)(1) -- (a)(3) of this section; ~~provided, that the~~  
9 ~~amount to be transferred into the general revenue fund shall equal no less than twenty five~~  
10 ~~percent (25%) of the total revenue received and accrued from the sale of lottery tickets plus any~~  
11 ~~other income earned from the lottery; provided further, that the revenue returned to the general~~  
12 ~~fund from the game commonly known as Keno, shall not be calculated as part of the twenty five~~  
13 ~~percent (25%) mandate required by this section, but the amount transferred into the general~~  
14 ~~revenue fund shall equal no less than fifteen percent (15%) of the total Keno revenue received.~~

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

22 (c) Payments into the state's general fund specified in subsection (a)(4) of this section  
23 shall be made on an estimated quarterly basis. Payment shall be made on the tenth business day  
24 following the close of the quarter except for the fourth quarter when payment shall be on the last  
25 business day.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - STATE LOTTERY

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1           This act would eliminate the twenty-five percent (25%) mandate to be paid into the  
2 general revenue fund from the revenue received from lottery tickets, commonly known as  
3 “Keno”, after required payments are made.

4           This act would take effect upon passage.

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