

January 25, 2001

**H 1. LOTTERY FOR EDUCATION/INFRASTRUCTURE. TO ESTABLISH A STATE LOTTERY TO PROVIDE FUNDS FOR EDUCATION AND INFRASTRUCTURE IMPROVEMENTS.** Provides for a referendum on a state lottery at the next statewide election. If the lottery referendum passes, the bill (1) creates the State Lottery Comm'n, consisting of nine members, five appointed by the Governor, two by the Senate President Pro Tem and two by the Speaker of the House, with staggered five-year terms; (2) grants rulemaking and oversight authority for the lottery to the comm'n and sets qualifications, compensation, and decision making procedures of the comm'n; (3) provides for a full-time lottery director, to serve at the pleasure of the Governor, along with staff and basic agency procedures and responsibilities; (4) directs that lottery games shall begin within 180 days of approval of the referendum; (5) permits any type of lottery games and gaming technology that has been used by any other state, with limited restrictions; and (6) directs lottery revenues to be as follows: at least 50% of total annual revenue returned as prizes, at least 34% reserved for state revenue, and no more than 16% for lottery expenses. Of the monies reserved for state revenue and remaining after prizes and expenses, 25% is directed to higher education scholarships, 25% for public education technology, 25% to counties for water and sewer infrastructure, and 25% for prekindergarten programs for at-risk children. The bill makes further provisions for lottery procedures and vendor contracts and preempts local regulation of lottery games.

**Intro. by Owens.**

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| Ref. to Rules | GS 143D, 147, 105, 14, 120, 150B |
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