

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 1943

Short Title: Lottery Funds. (Public)

Sponsors: Representatives Justus, Howard, Johnson, Ray (Primary Sponsors); Barnhart, Blackwood, Blust, Brown, Clary, Cleveland, Culp, Cunningham, Daughtridge, Daughtry, Frye, Gillespie, Gulley, Hilton, Hollo, Holmes, Justice, Kiser, Langdon, Lewis, McGee, Moore, Parmon, Pate, Pierce, Preston, Rhodes, Sherrill, Starnes, Steen, Stiller, Vinson, Wiley, Wilson, and Womble.

Referred to: Rules, Calendar, and Operations of the House.

May 15, 2006

A BILL TO BE ENTITLED

1 AN ACT AMENDING THE CONSTITUTION OF NORTH CAROLINA TO
2 REQUIRE LOTTERY PROCEEDS TO BE KEPT IN A SEPARATE FUND, TO
3 REQUIRE THE FUNDS TO BE SPENT ONLY FOR EDUCATIONAL
4 PURPOSES, AND TO PROHIBIT SUPPLANTING OTHER EDUCATION
5 FUNDS WITH LOTTERY FUNDS.
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7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Article 5 of the North Carolina Constitution is amended by
9 adding the following new section:

10 **"Sec. 15. Lottery proceeds.**

11 If the General Assembly authorizes a State lottery, gross revenues shall be placed in
12 a separate fund within the State treasury and all expenditures paid from that fund. Net
13 proceeds after payment of operating expenses and prizes shall be separately accounted
14 for and shall be specifically identified by the Governor in the proposed budget presented
15 to the General Assembly as a separate budget category entitled "Lottery Proceeds", and
16 the Governor shall make specific recommendations as to educational programs and
17 educational purposes to which said net proceeds shall be appropriated. The General
18 Assembly shall appropriate all net proceeds of the lottery to educational programs and
19 educational purposes. Such net proceeds shall be used to support improvements and
20 enhancements for educational programs and purposes, and such net proceeds shall be
21 used to supplement, not supplant, nonlottery educational resources for educational
22 programs and purposes. The nonsupplant requirement means in any year where the
23 State lottery is in operation State funds (other than lottery proceeds) appropriated for
24 educational programs and educational purposes may not be reduced below those

